The Nahar Group

37th ANNUAL REPORT 2016-17



Nahar SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal	**Chairman**
Sh. Dinesh Oswal	Managing Director
Sh. Kamal Oswal	Director
Sh. Dinesh Gogna	Director
Sh. Satish Kumar Sharma	Director
Dr. (Mrs.) H.K. Bal	Independent Director
Prof. Kanwar Sain Mani	Independent Director
Dr. Suresh Kumar Singla	Independent Director
Dr. Amrik Singh Sohi	Independent Director
Dr. Yash Paul Sachdeva	Independent Director

CHIEF FINANCIAL OFFICER
Sh. Anil Garg

FINANCIAL CONTROLLER
Sh. P. K. Vashishth

COMPANY SECRETARY
Sh. Brij Sharma

AUDITORS
M/s. Gupta Vigg & Co., Chartered Accountants
101, Kismat Complex, G.T. Road, Miller Ganj, Ludhiana-141 003.

PRINCIPAL BANKERS : Punjab National Bank, State Bank of India

REGD. OFFICE : 373, Industrial Area- 'A', Ludhiana-141 003

WORKS : 427, Industrial Area - 'A', Ludhiana (Punjab)
Dhandari Kalan, G.T. Road, Ludhiana (Punjab)
Village Simrai, Mandideep, Distt. Raisen (M.P.)
Village Lalru and Lehli, Distt. S.A.S. Nagar (Punjab)
Village Jalalpur, Distt. S.A.S. Nagar (Punjab)
Rishab Spinning Mills, Village Jodhan, Distt. Ludhiana
Nahar Fibres, Jitwal Kalan, Malerkotla, Distt. Sangrur

37th ANNUAL GENERAL MEETING

Day	:	Tuesday
Date	:	26th September, 2017
Time	:	11.00 A.M.
Place	:	At the Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 37TH ANNUAL GENERAL MEETING of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Tuesday, the 26th day of September, 2017 at 11:00 A.M.** at the premises of **M/s Nahar Industrial Enterprises Limited,** Focal point, Ludhiana to transact the following business:

ORDINARY BUSINESS:

ITEM NO: 1 - ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO: 2 - DECLARATION OF DIVIDEND

To declare dividend @ 30% i.e. Rs. 1.50 per equity share of Rs. 5 each for the year ended 31st March, 2017.

ITEM NO: 3 - APPOINTMENT OF MR. DINESH GOGNA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Dinesh Gogna (DIN 00498670), who retires by rotation and being eligible offers himself for re-appointment.

ITEM NO: 4 - APPOINTMENT OF MR. KAMAL OSWAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Kamal Oswal (DIN 00493213), who retires by rotation and being eligible offers himself for re-appointment.

ITEM NO: 5 - APPOINTMENT OF AUDITORS

To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Audit and Auditors) Rules, 2014 (including any statutory modifications (s) or re-enactment(s) thereof for the time being in force), M/s. YAPL & Co., Chartered Accountants (Firm Registration No. 017800N) having their office at K-102, Kismat Complex, Miller Ganj, Ludhiana-141003, be and are hereby appointed as Statutory Auditors of the Company (in place of M/s Gupta Vigg & Co., Chartered Accountants, the retiring Auditors), for five consecutive years commencing from Company's financial year 2017-18 to hold office from the conclusion of the 37th Annual General Meeting of the Company till the conclusion of 42nd Annual General Meeting to be held in 2022 on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to the above Resolution."

SPECIAL BUSINESS:

ITEM NO: 6 - RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Cost Auditors M/s. Ramanath Iyer & Co. (Firm Registration No. 000019) appointed by the Board to conduct the audit of the Cost Records of the Company for the financial year ended March 31, 2018, be paid a remuneration of Rs. 1.62 Lakhs (Rupees One Lakh Sixty Two Thousand Only) plus GST and out of pocket expenses".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

ITEM NO : 7- TO APPOINT DR. VIJAY ASDHIR (DIN 006671174) AS AN INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and 164 read with Schedule IV and any other applicable provisions of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Dr. Vijay Asdhir (DIN 006671174), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Independent Director, be and is hereby appointed as an Independent Director not liable to retire by rotation to hold office for 5 (five) consecutive years for a term upto September 25, 2022."

ITEM NO: 8 - TO APPOINT DR. MANISHA GUPTA (DIN: 06910242) AS AN INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and 164 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Dr. Manisha Gupta (DIN 06910242), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Independent Director, be and is hereby appointed as an Independent Director not liable to retire by rotation to hold office for 5 (five) consecutive years for a term upto September 25, 2022."

ITEM NO: 9 - TO RE-APPOINT DR. SURESH KUMAR SINGLA (DIN 00403423) AS AN INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 164 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Dr. Suresh Kumar Singla (DIN 00403423), who was appointed as Independent Director for three Consecutive years by the shareholders on 30th September, 2014 and who holds office upto the conclusion of 37th Annual General Meeting and who qualifies for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Independent Director, be and is hereby re-appointed as an Independent Director not liable to retire by rotation to hold office for 5 (five) consecutive years for a Second term upto September 25, 2022."

ITEM NO: 10 - TO RE-APPOINT DR. AMRIK SINGH SOHI (DIN 03575022) AS AN INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 & 164 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Dr. Amrik Singh Sohi (DIN 03575022), who was appointed as Independent Director for three Consecutive years by the shareholders on 30th September, 2014 and who holds office upto the conclusion of 37th Annual General Meeting and who qualifies for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director not liable to retire by rotation to hold office for 5 (five) consecutive years for a Second term upto September 25, 2022."

ITEM NO. 11 - TO RE-APPOINT PROF. K.S. MAINI (DIN 00454686) AS AN INDEPENDENT DIRECTOR AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 & 164 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Prof. K.S. Maini (DIN 00454686), who was appointed as Independent Director for three Consecutive years by the shareholders on 30th September, 2014 and who holds office upto the conclusion of 37th Annual General Meeting and who qualifies for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Independent Director, be and is hereby re-appointed as an Independent Director not liable to retire by rotation to hold office for 3 (three)

consecutive years for a second term upto September 25, 2020.

ITEM NO. 12 - TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Consent and approval of the Company be and is hereby accorded to the Board of Directors to enter into an Agreement(s)/ Contract(s)/ Transaction(s), in the ordinary course of business with Group Companies/ Related Parties namely: M/s Oswal Woollen Mills Limited, M/s Nahar Industrial Enterprises Limited, Monte Carlo Fashions Ltd. and Nahar Poly Films Ltd. for sale and purchase of Yarns, Fabrics, Garments, job work of manufacturing of garments and waste etc. on arm's length basis for a period of three years w.e.f. 1st April, 2017, which may be renewed with the mutual consent of parties thereto."

"RESOLVED FURTHER THAT any acts / transactions done under this Agreement after 1st April, 2017 and upto the date of passing of this resolution be and are hereby approved and ratified."

"RESOLVED FURTHER THAT the Board of directors be and are hereby authorized to do all such acts, deeds or things as may be necessary to give effect to the above resolution."

BY ORDER OF THE BOARD

BRIJ SHARMA

DATED: 12th August, 2017 (Company Secretary)

Regd. Office:
373, Industrial Area-A,
Ludhiana-141003
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

   A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory statement pursuant to Section 102 (1) of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this notice.
4. The Route Map to reach the venue of the Annual General Meeting including prominent land mark for easy location is provided at the end of Annual Report.
5. The Register of Members and Share Transfer Register of the Company shall remain closed from 2nd September, 2017 to 9th September, 2017 (both days inclusive) for the purpose of dividend for the year ended 31st March, 2017.
6. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose names shall appear in Register of members as 1st September, 2017 or Register of beneficial owners, maintained by the Depositories at the close of 1st September, 2017.
7. Pursuant to section 124 of the Companies Act, 2013, unclaimed dividend upto the financial year 2008-09 has been transferred to Investor Education and Protection fund. Further, unpaid dividend for the year 2009-10 is to be transferred to Investor Education and Protection fund in November, 2017. Shareholders who have not encashed dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.
8. Shareholders are requested to note that pursuant to Section 124 (6) of the Companies Act, 2013 read with rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the equity shares of the

Company in respect of which dividend has remained unclaimed or unpaid for a period of seven consecutive years or more are required to be transferred to the IEPF Authority as per applicable Rules. The company has already sent individual notices to the concerned shareholders at their registered addresses whose shares are liable to be transferred to the IEPF Authority advising them to claim their unclaimed dividends and also uploaded the details on its website i.e. www.owmnahar.com. In case the concerned shareholders do not claim their unclaimed dividends, the Company shall with a view to comply the Rules, transfer the shares to the IEPF Authority as per applicable provision of the Act without any further notice to the shareholders and no liability shall lie against the Company in respect of shares so transferred. The shareholders may note that upon transfer of the shares to IEPF Authority, including all benefits accruing on such shares, if any the same can be claimed only from IEPF Authority by following the procedure prescribed under the Rules.

9. The Company provides the facility of paying the dividend through Electronics Clearing System (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details along with 9 digit MICR code of their Bank is updated in the records of the Depository Participant (DP). Members, who hold the shares in physical form, should contact the Register and Transfer Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct Bank account to their DP in case of electronic holding and Register & Transfer Agent or the Company in case of physical holding.
10. The Bank Account particulars of the members will be printed on the dividend warrants. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share Transfer Agent, M/s Alankit Assignments Limited or to the Company's Registered Office at 373, Industrial Area-A, Ludhiana – 141 003.

    Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 1st September, 2017
11. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
12. The documents referred to in Explanatory Statement are open for inspection at the Registered Office of the Company on any working day (except Saturday and Holiday) between 10:00 A.M. To 12:00 Noon upto the date of Annual General Meeting.
13. With a view to using natural resources responsibly, we request shareholders to update their e-mail address with their Depository Participants to enable the Company to send communications electronically.
14. Electronic copy of the Annual Report for the year 2016-2017 is being sent to all the members whose email Ids are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
15. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
16. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
17. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
18. The information required to be provided under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder and form part of the Notice. The Directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and Rules made thereunder.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited, Unit: Nahar Spinning Mills Limited, Alankit House,

2E/25, Jhandewalan Extension, New Delhi-110055.

20. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.
21. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e- voting facility to enable the shareholders to cast their votes electronically.
22. Notice of the 37th Annual General Meeting and the Annual Report for the financial year 2016-17 will also be available on the Company's website i.e. www.owmnahar.com. The above said notice will also be available on the website of CDSL i.e. www.cdslindia.com.
23. The facility for voting via ballot or polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again
24. **Instructions for shareholders Voting through electronic mode are as under:**

(1) The voting period begins on 23rd September, 2017 (9:00 A.M.) and ends on 25th September, 2017 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 19th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(3) The shareholders should log on to the e-voting website www.evotingindia.com.

(4) Click on Shareholders.

(5) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(6) Next enter the Image Verification as displayed and Click on Login

7) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

8) If you are a first time user follow the steps given below

	For members holding shares in demat form and physical form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (5).

9) After entering these details appropriately, click on "SUBMIT" tab.

10) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

11) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

12) Click on the EVSN for the relevant NAHAR SPINNING MILLS LIMITED i.e. 170819022 to vote.

13) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

14) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

15) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

16) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

17) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

18) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

19) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

20) **Note for Non-Individual Shareholders and custodians**

a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

21) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting @cdsl india.com. The helpdesk can also be contacted at 1800-200-5533.

22) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, 19th September, 2017 may follow the same instructions as mentioned above for e-Voting.

23) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:

Mr. Brij Sharma

Company Secretary and Compliance Officer

373, Industrial Area-A, Ludhiana - 141003

0161-2600701 to 2600705

secnsm@owmnahar.com

Other instructions:

24) Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut off date

25) Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), will act as a Scrutinizer to the e-voting process in a fair and transparent manner(including the ballot forms received from members who do not have access

to the e-voting process).

26) The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favour or against, if any, forthwith to the Chairman of the Company.

27) The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. www.owmnahar.com and on the website of CDSL i.e. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

28) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 37th Annual General Meeting i.e. 26th September, 2017.,

29) A person who is not a Member as on the cut off date i.e. 19th September, 2017 should treat this Notice for information purposes only.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the Special Business mentioned under Item no. 6 to item no. 12 of the accompanying Notice:

ITEM NO. 6

As per the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 notified by MCA vide its notification dated 31st December, 2014, Company's activities fall within the purview of Cost Audit requirement. Accordingly the Board, at its meeting held on 30th May, 2017, on the recommendation of Audit Committee, approved the appointment and remuneration of Rs.1.62 Lakhs (Rupees One Lakh Sixty Two Thousand only) of M/s Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for conducting the Cost Audit of the Cost records of the Company for the financial year ended 31st March, 2018.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Director has to be ratified by the shareholders of the Company.

Accordingly consent and approval of the shareholders is being sought for passing an Ordinary Resolution as set out the Item No. 6 of the Notice for ratification of remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for financial year ended 31st March, 2018.

None of the Directors of the Company, the Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested financially or otherwise in the aforesaid resolution

The Board recommend the Resolution for your approval.

ITEM NO. 7

Pursuant to the provisions of section 149 read with Schedule IV of the Companies Act, 2013 read with SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, appointment of an Independent Director requires approval of Members. The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Dr. Vijay Asdhir for the office of the Independent Director of the Company.

The Nomination and Remuneration Committee after verifying the profile and suitability of Dr. Vijay Asdhir, has recommended to the Board his appointment. Accordingly, the Board having regard to skills, experience and knowledge of Dr. Vijay Asdhir, in its Meeting held on 12th August, 2017 has proposed the appointment of Dr. Vijay Asdhir, as an Independent Director on the Board of the Company for a term of five Consecutive years commencing from this Annual General Meeting upto September 25, 2022.

Dr. Vijay Asdhir is 70 years of age and M.Com, P.h.D. & having more than 36 years experience in Teaching and Administration. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana. Presently, he is working as a Director in the Khalsa Institute of Management, Ludhiana. Having regard to his vast expertise and knowledge, it will be in the interest of the Company to appoint him as an Independent Director.

The Company has received from Dr.Vijay Asdhir (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr.Vijay Asdhir fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 read

with SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015. He is independent of Management and possesses appropriate skills, experience and knowledge. Copy of draft letter of his appointment as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website www.owmnahar.com.

Dr. Vijay Asdhir does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

None of the Directors except Dr. Vijay Asdhir, Key Managerial Personnel or their relatives, may be deemed to be concerned or interested financially or otherwise in the Resolution.

Brief resume of the Dr.Vijay Asdhir, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Lisiting Obligation & Disclosures Requirements) Regulations, 2015, are provided at the end of Notice.

The Board recommend the Ordinary Resolution set out at Item No.7 of the Notice for your approval.

ITEM NO. 8

Pursuant to the provisions of section 149 read with Schedule IV of the Companies Act, 2013 read with SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, appointment of an independent Director requires approval of Members. The Company has received a notice in the writing from a member along with the deposit of requisite amount under the section 160 of the Companies Act, 2013, proposing the candidature of Dr. Manisha Gupta for the office of the Independent Director of the Company.

The Nomination and Remuneration Committee after verifying the profile and suitability of Dr. Manisha Gupta has recommended to the board her appointment. Accordingly, the board having reagrd to skills, experience and knowledge of Dr. Manisha Gupta in its Meeting held on 12th August, 2017 has proposed the appointment of Dr. (Mrs.) Manisha Gupta, as an Independent Director on the Board of the Company for a term of five Consecutive years commencing from this Annual General Meeting upto September 25, 2022.

Dr. Manisha Gupta is 38 years of age. She is B.Com, MBA (Finance) and Ph.D. She is having more than 17 years of experience in Teaching and Research of Management and Administration. Presently, she is working as a Director at Punjab Institute of Management and Technology, Mandi Gobindgarh. Having regard to her vast expertise and knowledge, it will be in the interest of the Company to appoint her as an Independent Director.

The Company has received from Dr. Manisha Gupta (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that she is not disqualified under Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Manisha Gupta fulfills the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013. read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. She is independent of Management and possesses appropriate skills, experience and knowledge. Copy of draft letter of her appointment as an Independent Director is available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website www.owmnahar.com.

Dr. Manisha Gupta does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

None of the Directors except Dr. Manisha Gupta, Key Managerial Personnel or their relatives, may be deemed to be concerned or interested financially or otherwise in the Resolution.

Brief resume of the Dr. Manisha Gupta, nature of her expertise in specific functional area and names of the Companies in which she holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Lisiting Obligation & Disclosures Requirements) Regulations, 2015, are provided at the end of Notice.

The Board recommend the Ordinary Resolution set out at Item No.8 of the Notice for your approval.

ITEM NO. 9

Pursuant to the provisions of section 149 of Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, and read with erstwhile clause 49 of the Listing Agreement, Dr. Suresh Kumar Singla was appointed as Independent Director to hold office for three Consecutive years for a term upto the Conclusion of 37th Annual General Meeting in the calender year 2017. Thus his

period of office will be expiring at the conclusion of 37th Annual General Meeting Scheduled to be held on 26th September, 2017. The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Dr. Suresh Kumar Singla for the office of the Independent Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee and on the basis of report of his performance evaluation, the Board has proposed the re-appointment of Dr. Suresh Kumar Singla for a Second Term of 5 (five) consecutive years on the board of Company.

Dr. Suresh Kumar Singla is 68 years of age. He is M.A (Economics & Statistics) and Ph.D. in Statistics. He is an eminent educationist and has retired from the post of Professor in the Business Management Department, Punjab Agriculture University, Ludhiana. Thereafter, he joined as a Director G.N.A. Management School at Phagwara and retired in the year 2016 He is a Management expert having wide knowledge and experience of more than 34 years.

Having regard to his vast expertise and knowledge, it will be in the interest of Company to re-appoint him as an Independent Director for a further term of five years commencing from this Annual General Meeting upto the conclusion of 42nd Annual General Meeting.

Dr. Suresh Kumar Singla does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Company has received from Dr. Suresh Kumar Singla (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Suresh Kumar Singla fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013. Dr. Suresh Kumar Singla is independent of Management and possesses appropriate skill, experience and knowledge. Copy of draft letter of his appointment as an Independent Director is available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website www.owmnahar.com.

The Board is of the opinion that his continued association would be of immense benefit to the Company so it is desirable to continue to avail the services of Dr. Suresh Kumar Singla as an Independent Director.

None of the Directors except Dr. Suresh Kumar Singla, Key Managerial Personnel or their relatives, may be deemed to be concerned or interested financially or other wise in the Resolution.

The Board recommend the special resolution set out at Item No.9 of the Notice for your approval.

ITEM NO. 10

Pursuant to the provisions of section 149 of Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, and read with erstwhile clause 49 of the Listing Agreement, Dr. Amrik Singh Sohi was appointed as Independent Director to hold office for three Consecutive years for a term upto the Conclusion of 37th Annual General Meeting in the calender year 2017. Thus his period of office will be expiring at the conclusion of 37th Annual General Meeting Scheduled to be held on 26th September, 2017. The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Dr. Amrik Singh Sohi for the office of the Independent Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee and on the basis of report of his performance evaluation, the Board has proposed the re-appointment of Dr. Amrik Singh Sohi for a Second Term of 5 (five) consecutive years on the board of Company.

Dr. Amrik Singh Sohi is M.Sc. and Ph.D. He is an eminent educationist having 38 years of experience in Teaching and Entomology Research. He retired from Punjab Agriculture University, Ludhiana as Sr. Entomologist (Professor). He was a member of state level team for evaluation of Bt. Cotton Hybrids in Punjab. Now, he is working as a consultant in PGR Cell, Sri Rattan Tata Trust, Mumbai.

Having regard to his vast expertise and knowledge, it will be in the interest of Company to re-appoint him as an Independent Director for a further term of five years commencing from this Annual General Meeting upto the conclusion of 42nd Annual General Meeting.

Dr. Amrik Singh Sohi does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Company has received from Dr. Amrik Singh Sohi (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in

Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Amrik Singh Sohi fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013. Dr. Amrik Singh Sohi is independent of management and possesses appropriate skill, experience & knowledge. Copy of draft letter of his appointment as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website www.owmnahar.com.

The Board is of the opinion that his continued association would be of immense benefit to the Company so it is desirable to continue to avail the services of Dr. Amrik Singh Sohi as an Independent Director.

None of the Directors except Dr. Amrik Singh Sohi, Key Managerial Personnel or their relatives, may be deemed to be concerned or interested financially or otherwise in the Resolution.

The Board recommends the resolution set out at Item No.10 of the Notice for your approval.

ITEM NO. 11

Pursuant to the provisions of section 149 of Companies Act, 2013 read with Schedule IV of the Companies Act 2013, and read with erstwhile clause 49 of the Listing Agreement, Prof. Kanwar Sain Maini was appointed as Independent Director to hold office for three Consecutive years for a term upto the Conclusion of 37th Annual General Meeting in the calender year 2017. Thus his period of office will be expiring at the conclusion of 37th Annual General Meeting Scheduled to be held on 26th September, 2017. The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Prof. Kanwar Sain Maini for the office of the Independent Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee and on the basis of report of his performance evaluation, the Board has proposed the re-appointment of Prof. Kanwar Sain Maini for a Second Term of 3 (three) consecutive years on the board of Company.

Prof. Kanwar Sain Maini is a Post Graduate in Commerce. He is an eminent educationist and having more than 36 years of experience in Teaching Management and Administration. He retired as Head of Commerce Department (Post Graduate), Govt. College, Ludhiana. He is Co- Author of many books of Book Keeping & Accountancy and Business Statistics.

Having regard to his vast expertise and knowledge, it will be in the interest of Company to re-appoint him as an Independent Director for a further term of three years commencing from this Annual General Meeting upto the conclusion of 40th Annual General Meeting.

The Company has received from Prof. Kanwar Sain Maini (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Prof. Kanwar Sain Maini fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013. Prof. Kanwar Sain Maini is independent of management and possesses appropriate skill, experience & knowledge. Copy of draft letter of his appointment as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours on any working day and is also available on Company's website www.owmnahar.com.

The Board is of the opinion that his continued association would be of immense benefit to the Company so it is desirable to continue to avail the services of Prof. Kanwar Sain Maini as an Independent Director.

None of the Directors except Prof. Kanwar Sain Maini, Key Managerial Personnel or their relatives, may be deemed to be concerned or interested financially or otherwise in the Resolution.

Prof. Kanwar Sain Maini holds 22 equity shares of Rs. 5/- each in the Company.

The Board recommends the resolution set out at Item No.11 of the Notice for your approval.

ITEM NO.12

M/s Monte Carlo Fashions Limited, M/s. Nahar Industrial Enterprises Limited, M/s Oswal Woollen Mills Limited and Nahar Poly Films Limited. are the Group Companies and thus are the Related Parties as per section 2(76) and Section 188 of the Companies Act, 2013. M/s Monte Carlo Fashions Limited is engaged in the retail Business of Garments. M/s Nahar Industrial Enterprises Limited and M/s Oswal Woollen Mills Limited are engaged in the

manufacture of yarns and fabric. These Companies regularly buy/sell garments, yarns and fabrics etc. and also getting job work of manufacturing of garments from the company. Sometimes transactions with the Nahar Poly Films Ltd. also takes place. All the transactions are entered with the above said companies are in the ordinary course of business and are on Arm's length price.

All the related party transaction(s) specified under section 188(1), the value/consideration of which is in excess of their respective limits prescribed under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014,has to be approved by the members in the General Meeting. Whereas the third proviso to section 188(1) also states that nothing in section 188(1) will apply to any transaction entered into by the Company in its Ordinary course of business and at arm's length basis.

Further in accordance with Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 Company is required to seek shareholder's approval for material related party transactions.

Taking into Account the statutory provisions the Board of Directors intend to seek your prior approval for the Contracts(s) /Agreement(s) Transaction(s) to be entered with the Group Companies for a period of three years w.e.f. 1st April, 2017.

Sh. Jawahar Lal Oswal, Chairman, Sh. Dinesh Oswal, Managing Director and Sh. Kamal Oswal, being the promoters and directors and Sh. Dinesh Gogna and S.K. Sharma being the common Non-Executive Directors of the said Companies, may be deemed to be concerned/ interested in the said resolution.

None of the directors and Key Managerial Personnel of the Company and their relatives, except as stated above, may be deemed to be concerned/ interested financially or otherwise in the said resolution.

Your Directors recommend the resolution for your approval.

Information Pursuant to the provisions of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, regarding Director seeking appointment /re-appointment.

As required under the Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, particulars of Directors who are proposed to be appointed/ reappointed are given below:

1. Name:	**Mr. Dinesh Gogna**
Age:	64 Years
Qualification:	B.A.LL.B
Expertise:	Having more than 40 years of experience in Corporate Finance & Taxation.

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Dinesh Gogna holds Directorship, Chairmanship and Membership of Board :

Directorship of Board :

Sr. No.	Name of the Company	Status
1.	Nahar Poly Films Ltd.	Director
2.	Nahar Capital & Financial Services Ltd.	Director
3.	Nahar Industrial Enterprises Ltd.	Director
4.	Monte Carlo Fashions Limited	Director

Chairmanship of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Industrial Enterprises Limited	Stakeholders Relationship
2.	Monte Carlo Fashions Limited	Stakeholders Relationship

Member of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Industrial Enterprises Limited	Audit
2.	Monte Carlo Fashions Limited	Audit, Nomination & Remuneration
3.	Nahar Poly Films Ltd.	Audit Committee

Shareholding in the Company : Nil

Disclosure of relationship between Director inter-se : Nil

2. Name:	**Mr. Kamal Oswal**
Age:	55 Years
Qualification:	B.Com
Expertise:	Having more than 35 years of experience in Textile Industry.

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Kamal Oswal holds Directorship, Chairmanship and Membership of Board :

Directorship of Board :

Sr. No.	Name of the Company	Status
1.	Nahar Poly Films Ltd.	Director
2.	Nahar Capital & Financial Services Ltd.	Director
3.	Nahar Industrial Enterprises Ltd.	Director

Chairmanship of Board Committee : Nil

Member of Board Committee:

Sr. No.	Name of the Company	Committee
1.	Nahar Industrial Enterprises Limited	Stakeholders Relationship

Shareholding in the Company : 24750

Disclosure of relationship between Directors inter-se:

Mr. Kamal Oswal is son of Mr. Jawahar Lal Oswal and brother of Mr. Dinesh Oswal

3.	Name:	Dr. Vijay Asdhir
	Age:	70 Years
	Qualification:	M.Com & Ph.D.
	Expertise:	Having more than 36 years of experience in Teaching Business and Administration.

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Vijay Asdhir holds Directorship, Chairmanship and Membership of Board :

Directorship :

Sr. No.	Name of the Company	Status
1.	Nahar Poly Films Limited	Independent Director
2.	Nahar Industrial Enterprises Ltd.	Independent Director

Chairmanship of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Industrial Enterprises Ltd	Audit Committee Nomination and Remuneration committee

Member of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Industrial Enterprises Ltd	Stakeholder's Relationship committee

Shareholding in the Company : Nil

Disclosure of relationship between : Nil

Director inter-se

4.	Name:	Dr. Manisha Gupta
	Age:	38 Years
	Qualification:	B.Com, MBA (Finance), UGC, Ph.D.
	Expertise:	Having more than 36 years of experience in Teaching Business and Administration.

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Manisha Gupta holds Directorship, Chairmanship and Membership of Board :

Directorship :

Sr. No.	Name of the Company	Status
1.	Monte Carlo Fashions Limited	Independent Director

Chairmanship of Board Committee : Nil

Member of Board Committee:

Sr. No.	Name of the Company	Committee
1.	Monte Carlo Fashions Limited	Audit Committee

Shareholding in the Company : Nil

Disclosure of relationship between : Nil

Director inter-se

5.	Name:	Dr. Suresh Kumar Singla
	Age:	68 Years
	Qualification:	M.A. (Stats. & Eco.) & Ph.D.(Stats)
	Expertise:	Having more than 36 years of experience in Teaching business & Administration.

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Suresh Kumar Singla holds Directorship, Chairmanship and Membership of Board :

Directorship

Sr. No.	Name of the Company	Status
1.	Nahar Poly Films Limited	Independent Director
2.	Nahar Capital and Financial Services Ltd.	Independent Director
3.	Monte Carlo Fashions Ltd.	Independent Director

Chairmanship of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Poly Films Limited	Nomiation & Remuneration and Audit
2.	Nahar Capital & Financial Services Ltd.	Nomination & Remuneration
3.	Monte Carlo Fashions Ltd.	Audit

Member of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Capital & Financial Services Ltd.	Stakeholders Relationship & Audit
2.	Monte Carlo Fashions Ltd.	Nomination & Remuneration

Shareholding in the Company : Nil

Disclosure of relationship between : Nil

Director inter-se

6.	Name:	Dr. Amrik Singh Sohi
	Age:	70 Years
	Qualification:	M.Sc. Ph.D.
	Expertise:	Having more than 39 years of experience in Teaching and Entomology Research.

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Amrik Singh Sohi holds Directorship, Chairmanship and Membership of Board :

Directorship :

Sr. No.	Name of the Company	Status
1.	Nahar Poly Films Ltd.	Independent Director
2.	Nahar Capital and Financial Services Ltd.	Independent Director
3.	Monte Carlo Fashions Ltd.	Independent Director
4.	Nahar Industrial Enterprises Ltd.	Independent Director

Chairmanship of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Capital and Financial Services Ltd.	Stakeholders Relationship

Member of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Poly Films Ltd.	Stakeholders Relationship

Shareholding in the Company : Nil

Disclosure of relationship between Director inter-se : Nil

7.	Name:	Prof. K.S.Maini
	Age:	77 Years
	Qualification:	M.Com
	Expertise:	Having more than 36 years of experience in Teaching Management and Administration.

Listed Companies (other than Nahar Spinning Mills Limited) in which Prof. K.S. Maini holds Directorship, Chairmanship and Membership of Board :

Directorship

Sr. No.	Name of the Company	Status
1.	Nahar Poly Films Ltd.	Independent Director
2.	Nahar Capital & Financial Services Ltd.	Independent Director

Chairmanship of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Capital & Financial Services Limited	Audit

Member of Board Committees:

Sr. No.	Name of the Company	Committee
1.	Nahar Poly Films Ltd.	Audit
2.	Nahar Capital & Financial Services Ltd.	Nomination & Remuneration

Shareholding in the Company :22 shares

Disclosure of relationship between Director inter-se : Nil

BY ORDER OF THE BOARD

BRIJ SHARMA
(Company Secretary)

DATED: 12th August, 2017

Regd. Office:
373, Industrial Area-A,
Ludhiana-141003
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com

Save Tree Save Earth

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e- mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at:-secnsm@owmnahar.com or gredressalnsml@owmnahar.com.

We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the **Thirty Seventh Annual Report** on the affairs of the company for the financial year ended 31st March, 2017.

FINANCIAL PERFORMANCE

Your Company's Financial Performance during the year is summarised below:

(Rs. In crores)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Income	**2154.15**	2047.22
Less: Total Expenses	**2086.45**	1966.89
Profit before exceptional items and tax	**67.70**	80.33
Less: CSR expenses	**Nil**	1.20
Profit Before Tax	**67.70**	79.13
Less: Tax expenses (Including deferred tax)	**28.47**	31.23
Net Profit from continuing operations	**45.97**	50.87
Other Comprehensive	**6.25**	1.70
Profit for the period	**52.22**	52.56

INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA) vide its notification dated February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. The company has adopted Indian Accounting Standards (Ind AS) from 01 April, 2016 (transition date being 01 April, 2015) and accordingly, the financial statements have been prepared as per the Indian Accounting Standard Rules, 2015, as prescribed under Section (133) of the Companies Act, 2013 read with relevant Rules issued thereunder and the other accounting principles generally accepted in India.

The Reconciliation and the effect of the transition as per GAAP vis a vis Ind AS has been provided in Note no. 41 in the notes to the account in the Financial Statement.

OPERATIONAL REVIEW AND STATE OF AFFAIR

We would like to inform you that Company operates in a single segment i.e. "TEXTILE" as such disclosure requirements as per Accounting Standard (AS) 17 issued by the Institute of Chartered Accountants of India, New Delhi, are not applicable.

We are pleased to inform you that inspite of a challenging year for Textile Industry; Company has been able to sustain its operational performance. The Company has achieved a total operating income of Rs. 2154.15 crores as against Rs. 2047.22 Crores showing an increase of 5.22% over the previous year. Likewise, the export at Rs. 1343.79 crores has also shown an increase of 5.17% over the previous year.

The slackness in Global demand coupled with exchange rate fluctuations severely affected Company's financial performance. Beside the increase in the prices of raw cotton without the corresponding increase in the yarn prices also affected the Company's performance and it could earn a profit of Rs. 52.22 crores as against Rs. 52.56 crores in previous year.

TRANSFER TO RESERVE

The Company has not transferred any amount to the General Reserve and thus Company's General Reserve stands on Rs.505.58 Crores as on 31st March, 2017. However, after making adjustment of Dividend, Tax on Dividend, CSR Expense Reserve and Adjustment of income tax and adding comprehensive income for the year, an amount of Rs. 45.97 Crores has been retained in the Surplus Account and thus, Retained Earnings/Surplus Account stand increased to Rs.107.68 Crores as on 31st March, 2017.

Dividend

The Board, in its meeting held on 30th May, 2017 has recommended a dividend @ 30% (i.e. Rs.1.50 per equity shares of Rs.5/- each) on paid up share capital for the year ended 31st March, 2017. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting to be held on 26th September, 2017. The total dividend declared (excluding dividend distribution tax) for the current year is Rs. 5.41 crores.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the profits of the Company to all those shareholders whose names shall appear in the Register of Members on 1st September, 2017 or Register of Beneficial Owners, maintained by the Depositories as at the close of 1st September, 2017.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions Section 124(5) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all unpaid and unclaimed dividends, which remain unpaid or unclaimed for a period seven years from the date of such transfer shall be transferred by the Company to the Investor Education Protection Fund (IEPF) established by the Central Government.

Accordingly, the Company has transferred an amount of Rs. 4,29,529/- (Rupees Four Lakhs Twenty Nine Thousand Five Hundred Twenty Nine Only) being the amount of unclaimed dividend for the year 2008-2009 to the Investor Education and Protection Fund. Further, unpaid dividend for the year 2009-2010 shall be transferred to Investor Education and Protection Fund pursuant to Section124(5) of the Companies Act, 2013 in November, 2017. The Company has already sent letter/notice to the shareholders informing them to claim the unclaimed dividend from the Company before such

transfer to the Investor Education and Protection Fund.

Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Equity shares of the Company in respect of which dividend has remained unclaimed or unpaid for a period of seven consecutive years or more are required to be transferred to the IEPF Authority as per applicable provisions of the Act.

The Company has already sent individual notices to the concerned shareholders at their registered addresses whose share are liable to be transferred to the IEPF Authority advising them to claim their unclaimed dividend and also uploaded the details on its website i.e. www.owmnahar.com

In case the concerned shareholders do not claim their unclaimed dividends, the Company shall, with a view to comply with the Rules, transfer the shares to the IEPF Authority without any further notice to the shareholders and no liability shall lie against the Company in respect of the shares so transferred. The shareholders may note that upon transfer of the shares to IEPF Authority, including all benefits accruing on such shares, if any, the same can be claimed only from IEPF Authority by following the procedure prescribed under the Rules.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed/re-appointed as Independent Directors under the provisions of the Companies Act, 2013 and the Rules made thereunder.

APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Sh. Dinesh Gogna, (DIN 00498670) and Sh. Kamal Oswal, (DIN 00493213) will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommend their re-appointment to the members of the Company at the ensuring Annual General Meeting.

The shareholders vide their Special Resolution dated 30.09.2016 has reappointed Mr. Dinesh Oswal, Managing Director of the Company for a further period of Five Years w.e.f. 1st January, 2017 to 31st December, 2021.

We would also like to inform you that the first term of office of the Dr. (Mrs.) H.K. Bal, Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi, Prof. K.S. Maini and Dr. Yash Paul Sachdeva, as Independent Directors, expires at the ensuing Annual General Meeting.

Dr. (Mrs.) H.K. Bal and Dr. Y.P. Sachdeva, have requested the Board not to consider them for re-appointment and relieve them from the office of the director after the expiry of their present term. The Board places on record its appreciation for the valuable contribution made by Dr. (Mrs.) H.K. Bal and Dr. Y.P. Sachdeva during their tenure as Directors of the Company.

Further, pursuant to the Notice received under section 160 of the companies act, 2013 along with the deposit of requisite amount, the Board on the recommendation of Nomination and Remuneration Committee and on the basis of performance evaluation of Directors has decided to re-appoint Dr. Suresh Kumar Singla (DIN 00403423) and Dr. Amrik Singh Sohi (DIN 03575022), as Independent Directors for a second term of five consecutive years upto 25th September, 2022 and Prof. K.S. Maini (DIN 00454686), as Independent Director for a second term of three consecutive years upto 25th September, 2020. The necessary resolutions for their appointment have been proposed in the accompanying Notice.

We would also like to inform you that the company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act. 2013, purposing the candidature of Dr. Vijay Asdhir (DIN 006671174) and Dr. Manisha Gupta (DIN 06910242), as Independent Directors of the Company. The Nomination and Remuneration Committee after verifying their profile and suitability has recommended their appointment to the Board. Accordingly, the Board having regard to their skills, experience and knowledge has proposed the appointment of Dr. Vijay Asdhir (DIN 006671174) and Dr. Manisha Gupta (DIN 06910242), as Independent Directors of the Company to hold office for five consecutive years for a term upto 25th September, 2022 in the Notice of ensuing Annual General Meeting.

Pursuant to the provision of Section 203 of the Companies Act, 2013, Mr. Dinesh Oswal Managing Director, Mr. Anil Garg, Chief Financial Officer and Mr. Brij Sharma, Company Secretary are the Key Managerial Personnel (hereinafter referred as KMP) of the Company and there has been no change in the KMP since the last fiscal year.

BOARD EVALUATION

The provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandate that a formal annual performance evaluation is to be made by Board of its own performance and that of its Committee and individual Directors, Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors

excluding the Director being evaluated.

The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination and Remuneration Committee of the Company and adopted by the Board. The evaluation was carried out through a structured evaluation process to evaluate the performance of individual directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and the approved the evaluation results thereof.

CORPORATE POLICIES:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. As per the said Regulations, the listed Companies are required to formulate certain policies. As a good corporate entity, the company has already formulated several corporate governance policies and the same are available on the company's website i.e. www.owmnahar.com. The said policies are reviewed periodically by the Board to make them compliant with the new Regulations/ requirements.

The company has adopted certain policies, the details of which are given hereunder:

Name of the Policy	Brief Description
Appointment & Remuneration Policy	Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 3rd February, 2015 approved the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee. The policy formulates the principle and criteria for determining qualification, competence, positive attributes, integrity and independence etc. for Directors, Senior Management Personnel including its Key Managerial Personnel (KMP) and employees of the Company. The Policy also laid down the criteria for determining the remuneration of directors, key manager personnel and other employees.
Corporate Social Responsibility Policy	Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the CSR Policy which was adopted by the Board. The CSR policy outlines the various programmes/projects /Activities to be undertaken by the Company as laid down in schedule VII of the Companies Act, 2013.
Whistle Blower Policy	Pursuant to the provisions of Section 177 of the Companies Act, 2013 company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its Directors and employees. The aim of the policy is to provide a channel to the Directors and employees to report their genuine concerns about unethical behavior, Actual or suspected fraud or violation of the code of conduct.
Policy on Materiality of Related Parties Transactions and Dealing with Related Parties Transactions	Pursuant to the requirements of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has approved a policy on Materiality of Related Parties Transactions and Dealing with Related Party's Transactions. The Policy regulates the transaction between the company and its group companies and related parties. The policy has been uploaded on company's website and can be accessed at www.owmnahar.com/spinning/pdf/RPT/NAHAR/SPINNING.pdf.
Insider Trading Policy	To provide the framework for dealing in the securities of the Company by the insiders, the Board has approved and adopted the following codes in its meeting held on 30.05.2016 under SEBI(Prohibition of Insider Trading Regulation 2015):

	i. Code of practices and procedures for fair disclosure of unpublished price sensitive information. ii. Code of conduct to regulate, monitor and report trading by insiders. The Codes help to regulate trading in securities by the Directors and designated employees of the Company. The Codes require pre- clearance for dealing in the Company's share and prohibit the purchase and sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to company and during the period when Trading Window is closed.
Policy for Preservation of documents	Board of directors in their meeting held on 10th February, 2016 has approved and adopted the policy for Preservation of documents. The policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of eight years as per requirements of applicable laws.
Archival Policy	Pursuant to the requirements of Regulation 30(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board has approved and adopted the Archival Policy in its Meeting held on 10th February, 2016. The policy ensure protection, maintenance and archival of Company's disclosures, documents and records that are placed on Company's website i.e. www.owmnahar.com
Board Diversity Policy	The Board of Directors in their Meeting held on 12th November, 2014 has approved and adopted the Board Diversity Policy as per the recommendation of Nomination and Remuneration Committee. The policy envisages diversification of Company's Board in respect of age, knowledge, experience and expertise.

APPOINTMENT AND REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for Appointment and Remuneration of Directors, Senior Management and other employees as provided under Section 178(3) of the Companies Act, 2013. The objective of the Policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors. The present Board consists of ten members Sh. Jawahar Lal Oswal is non-executive Chairman. Sh. Dinesh Oswal is a Managing Director. There are four Non Executive Directors and five are Independent Directors out of which one Director namely; Dr. (Mrs.) H.K.Bal as women director on the Board. The Company's Policy of Appointment and Remuneration includes criteria for determining Qualification, Positive Attributes, Independence of Directors and other matters, as required under sub Section 3 of Section 178 of the Companies Act, 2013. The policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. The Appointment and Remuneration Policy of the Company is available on the Company's website and can be accessed at www.owmnahar.com/spinning/pdf/NSMLAPPOINTMENTANDREMUNERATIONPOLICY.pdf. There has been no change in the Policy since the last fiscal year.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors held their meeting on 19th December, 2016 without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. They

I. Reviewed the performance of non-Independent directors and the Board as a whole;

ii. Reviewed the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non- Executive Directors;

iii. Assessed the quality and timeliness of the flow of information between the company's Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company at the time of appointing a Director, issues a formal letter of appointment which inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All Independent Directors are provided with all policies/Guidelines as framed by the Company under various statutes and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to familiarize with Company's procedure and practices. Further, to update them on the regular basis, the

Company provides copies of all amendments in Corporate Laws, Corporate Governance Rules and SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015. They have also been updated regarding the Companies Amendment Bill, 2016 which has already been passed by lower house and is pending for approval of the upper house in the Parliament. The details of the Company's policy on Familiarization Programs for Independent Directors are posted on the website of the company and can be assessed at http://www.owmnahar.com/ spinning /pdf/familiarization/program/NSML001.pdf.

NO. OF BOARD MEETINGS

During the year under review, the Board of Directors met four times i.e. 30th May, 2016, 12th August, 2016, 11th November, 2016 and 13th February, 2017 with a predefined agenda circulated well in advance. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Your Company is engaged in the Manufacture & Exports of yarns and knitted garments. Likewise some Group Companies (which are public limited Companies) are also engaged in the Textile Industry. Because of nature of Industry, sometimes sale/purchase/fabrication jobs, transactions takes place between the Group Companies, in the ordinary course of business at Arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc which may have potential conflict of interest with the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with the Rule 8 of the Companies (Accounts) Rules, 2014. However, the transactions entered into with the Group Companies during the year under review, has been given to Notes to the financial statements in accordance with the Accounting Standards.

The Company has not entered into any contract or arrangement with the related parties as referred in Section 188(1) of the Companies Act, 2013. Thus the requirement for disclosure of particulars of contracts or arrangement with related parties referred to in Section 188(1) is not applicable. However, as per Company's policy, all the Group Companies transactions regarding sales/purchase etc. are placed before the Audit Committee as well as the Board, for their information and approval.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

SHARE CAPITAL

The Paid up equity share capital of the Company as on 31st March, 2017 is Rs. 1803.27 Lakhs. During the year under review, Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor granted any stock options or sweat equity under any scheme.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operations in future.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

As reported in our last report, Company adopted CSR Policy and decided to undertake CSR Activity in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The details of the CSR policy are available on the Company's website i.e. www.owmnahar.com.

The disclosure in respect of the existing CSR Activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, is annexed hereto as "Annexure I" and forms part of this Report.

AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013, the Board of Directors have already constituted Audit Committee consisting of three Non-Executive Directors namely; Prof. K.S. Maini as Chairman, Sh. Dinesh Gogna and Dr. S.K. Singla, as members. Mr. Brij Sharma is the Secretary of the Committee. The Committee held four meeting during the year under review.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee,

directors, customers, vendors etc., can report the genuine concerns or grievances to the members of the Audit Committee about unethical bahaviour, actual or suspected, fraud or violation of Company's Code of Conduct so that appropriate Action can be taken to safeguard the interest of the company. The Mechanism also provides for adequate safeguards against victimization of persons who uses such mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website. The Company has a dedicated e-mail address i.e. whistleblowernsml@owmnahar.com for reporting the genuine concerns.

The Audit Committee regularly reviews the working of the Mechanism. No complaint was received during the year under review.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATES COMPANY

The Company does not have any subsidiaries, joint venture and associates Company during the year under review.

CREDIT RATING

We are pleased to inform that the Credit Rating Information Services of India Ltd. (CRISIL) in their Credit Rating Report of November, 2016 re-affirmed the credit rating "A" for long term debt instruments/ facilities and "A1" for the short term debt instruments/ facilities, and "A1" for commercial paper of Rs. 235.00 millions of the Company. The rating "A" indicates stable and rating "A1" indicates very strong degree of safety regarding timely payment of the financial obligations.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Further, as per the provisions of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company may send financial statements and other documents by electronic mode to its members. Your Company has decided to join the MCA in its environmental friendly initiative.

Accordingly, henceforth Company propose to send documents such as notices of General Meetings, Annual Report and other communications to its shareholders via electronic mode to the registered E-mail addresses of the shareholders. To support this green initiative of the Government in full measure shareholders are requested to register/update their latest E-mail addresses with their depository Participant(D.P.) with whom they are having Demat Account or send the same to the Company via E-mail at:-secnsm@owmnahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the Environment.

LISTING OF SECURITIES

The securities of the company are presently listed on the following Stock Exchanges:.

i. The BSE Ltd., 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.

ii. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai

The Company has paid listing fee to both the Stock Exchanges for the financial year 2017-18.

DEMATERIALISATION OF SECURITIES

As the members must be aware that Companies securities are tradable compulsorily in electronic form w.e.f. 21st March, 2000. Your Company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. As on date 95.47% of the total Equity Share Capital of the Company has been dematerialized. The shareholders, who have not gone in for dematerialisation of shares till date, are requested to opt for dematerialisation of the shares at the earliest.

Further as per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar at below mentioned address:

Alankit Assignments Limited
(Unit: Nahar Spinning Mills Limited)
Alankit House, 2E/21, Jhandewalan Extension
New Delhi – 110 055

Telephone No.	:	(011) 42541234
Fax No.	:	(011) 41540064
E-mail address	:	rta@alankit.com

In case any query/complaint remains unresolved with our Registrar please write to Company Secretary at the Registered Office of the Company.

ENVIRONMENT FRIENDLY CORPORATE ENTITY

As a responsible corporate entity, your Company is sensitive to environment also and is contributing a bit to improve the ecological balance by introducing Organic Cotton yarns & Fair Trade Cotton Yarns certified by Control Union Certificate of Netherlands & F.L.O. of Germany. The Company is registered with Clean Development Mechanism (CDM) Executives Board and United Nations Framework Conventions on Climate

Change (UNFCCC) Secretariat, Bonn, Germany.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under review, conform in their entirely to the requirements of Companies Act, 2013.

The Directors confirm :

I) that in preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures;

II) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

III) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

IV) that they had prepared the Annual Accounts on a going concern basis.

V) that the directors, in the case of a listed company, had laid down internal financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

VI) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITOR'S INDEPENDENT REPORT
STATUTORY AUDITORS

The members at the Annual General Meeting held on 30th September, 2016 appointed, M/s Gupta Vigg and Co., Chartered Accountants (Registration No. 001393N) as Statutory Auditors of the Company to hold office till the conclusion of the 37th Annual General Meeting of the Company. Their period of office will expire at the ensuing Annual General Meeting scheduled to be held on 26th September 2017.

The Board of Directors place on record its appreciation for the services rendered by M/s Gupta Vigg & Co., as Statutory Auditors of the Company.

We would like to inform you that in compliance with the provisions of Section 139 of Companies Act 2013, the Board on the recommendation of the Audit Committee has decided to propose the appointment of M/s YAPL& Co., Chartered Accountant (Firm Registration No. 017800N) having their office at K-102, Kismat Complex, Miller Ganj, Ludhiana 141003, as Statutory Auditor of the Company, for a term of five consecutive years (commencing from Company's financial year 2017-18) to hold office starting from the conclusion of the 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting to be held in 2022. They have given a written consent/certificate regarding eligibility for their appointment as Auditors in accordance with the Rule 4 of the Companies (Audit and Auditors) Rule, 2014 read with the provisions of Section 139(2) of the Companies Act, 2013. The resolution for their appointment has been proposed for your approval in the accompanying Notice.

AUDIT REPORT

The Statutory Auditors have submitted Audit Report on the Accounts of the Company for the Accounting year ended 31st March, 2017. The observations and comments given by Auditors in their Report read together with the Notes to the Accounts are self explanatory and require no comments.

COST AUDITORS

We would like to inform you that the Ministry of Corporate Affairs vide Notification dated 31st December, 2014 amended Companies (Cost Records and Audit) Rules, 2014, pursuant to which, the Company's business activities have been included within the purview of Cost Audit requirement. Accordingly, the Board of Directors on the recommendation of Audit Committee appointed M/s Ramanath Iyer & Co. (Membership No.000019), Cost Accountant, as Cost Auditors of the Company for financial year 2017-18 and has fixed a remuneration of Rs.1.62 Lakhs (Rupees One Lakh Sixty Two Thousand Only) subject to the ratification of the members as per the provision of Section 148(3) of the Companies Act, 2013 and Rules 14 of the Companies (Audit and Auditors) Rules, 2014. A resolution for the ratification of the remuneration of the Cost Auditors by the members at the ensuing Annual General Meeting is being proposed for your approval.

SECRETARIAL AUDITOR

The Board, pursuant to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. P.S. Bathla & Associates, Practicing Company Secretaries, having Certificate of Practice No. 2585 as Secretarial Auditor to conduct Secretarial Audit for the financial year 2017-2018.

M/s. P.S. Bathla & Associates, Practicing Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2017 and their Secretarial Audit Report in Form No. MR-3 is annexed hereto as Annexure II and from part of this Report.

The Report is self explanatory and requires no comments.

BUSINESS RISK MANAGEMENT

The Company has laid down Risk Management Policy.

The Policy aims to identify, evaluate manage and monitor all types of risks associated with the business of the Company. The Board as well as Audit Committee regularly overseas the risk management process in the Company, as required under 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your Company is operating in Textile segment and has identified certain risks which may affect the performance of the Company. These are operational risks such as fluctuation in cotton prices, fluctuation in foreign exchange rates, Labour problems and regulatory risks such as change in Government Policy with respect to Textile Industry etc. The Company's Risk Management Policy aims to suggest the steps to be taken to control and mitigate the risk associated with the Company's Textile Business. We are of opinion that none of identified risk is such that which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROL AND SYSTEMS

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitation of speedy and accurate compilations of financial statements. The Company's Internal Financial Control System is designed to ensure operational efficiency, protection and conservation of resourses, accuracy and promptness in financial reporting and compliances with procedures, laws and regulations. The Company's Internal Control System commensurate with the nature of its business and size of its operations. In order to further strength the Internal Control System and to automate the various process of the business, Company is making use of Enterprise Resource Planning (ERP).

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed a Chartered Accountant as Internal Auditor for the financial year 2017-18. The Company is also having Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems lay down by the management and suggests improvement in the systems. Internal Audit Reports are discussed with the management and are reviewed by the Audit Committee of the Board. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

Apart from the above, an Audit Committee consisting of three non executive directors has been constituted. All the significant audit observation and follow up Action thereon are taken care of by the Audit Committee. The Audit Committee also oversees and reviews the adequacy and effectiveness of Internal Control in the Company. The Audit Committee met four times during the financial year under review. The Company has also established a Vigil Mechanism as per Section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

The Indian accounting standard (Ind AS) became applicable on the Company w.e.f. 1st April, 2016 (transition date being 1st April, 2015). Accordingly the financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016. The Company appointed M/s Grant Thronton India LLP Gurugram (Haryana), a leading consultancy firm in the Accounting/Financial matters, to advice the Company on convergence of Ind AS. The report submitted by them has been implemented for preparing the financial statement for the year ended 31st March, 2017.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any Public Deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder. There is no outstanding/unclaimed deposit from the public. However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

(i) Deposits accepted during the year : Nil

(ii) Deposits remained unpaid or unclaimed as at the end of the year : Nil

(iii) Default in repayment of deposits and deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013 : N.A.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

During the financial year 2016-17, the Company has not received any complaints on sexual harassment and hence no compliant remains pending as of 31st March, 2017.

ANNUAL RETURN

Extract of Annual Return, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2016-17 in the Form MGT-9 of the Company is annexed herewith as Annexure III and form part of this report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of

employees of the company is annexed as "Annexure IV" and form part of this report.

In terms of Section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. However, the details regarding remuneration received by Managing Director is given in point VI of the ANNEXURE III annexed hereto and form part of this report.

During the year under review, Sh. Dinesh Oswal, Managing Director of the Company has been paid a remuneration of Rs. 4,32,00,000 (Rupees Four Crores and Thirty Two Lakhs) for the first nine months of the year i.e. w.e.f. 1st April 2016 to 31st December, 2016, as per the approval of the Central Government vide its letter no. SRN C35933985/2014-CL.VII dated 17th February, 2016. Thereafter from 1st January, 2017 to 31st March, 2017, he has been paid a monthly salary of Rs. 10,00,000/- because of inadequacy of profits. The Company has already submitted an application to the Ministry of Corporate Affairs (Central Government) vide SRN No. G41303728 dated 19th April, 2017 for its approval for payment of remuneration to Mr. Dinesh Oswal, the Managing Director of the Company, as per shareholder's approval vide their Special Resolution dated 30th September, 2016. He has been re-appointed as a Managing Director for a further period of five years w.e.f 1st January, 2017 to 31st December, 2021. Sh. Dinesh Oswal is 52 years of age. He is Commerce Graduate and has business experience of 32 years in Textile Industry. He is employed on contractual basis for five years w.e.f. 1st January, 2017 to 31st December, 2021. Before joining the Company he was employed with M/S. Oswal Woollen Mills Limited as Commercial Manager. He is holding 23766 equity shares of Rs. 5/-each which constitute 0.07% of the equity capital of the Company. Sh. Dinesh Oswal is related to Sh. Jawahar Lal Oswal, Chairman and Sh. Kamal Oswal, Director of the Company.

No other employee was in receipt of remuneration exceeding the limits as provided under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The detailed information as required under Section 134(3) of the Companies Act, 2013 read with Sub Rule 3 of the Rule 8 Companies (Accounts) Rules, 2014, is enclosed as per Annexure-V and forms part of this report.

REPORT ON THE CORPORATE GOVERNANCE

Your Company continues to follow the principles of good Corporate Governance. The Company has already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report alongwith the Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in part C of Schedule V of the SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015 is attached herewith as Annexure-VI and from part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is enclosed as per Annexure-VII and forms part of this Report.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

ACKNOWLEDGEMENT

The Board of Directors of the Company wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the Company. The Directors are thankful to the Bankers, Financial Institutions for their continued support to the Company. The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA **JAWAHAR LAL OSWAL**
DATED: 12th August, 2017 **(Chairman)**

ANNEXURE- I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.** Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee framed the Corporate Social Responsibility Policy (CSR Policy) and the same was adopted by the Board of Directors on 11th August, 2014. As per policy, Company is undertaking CSR activities in collaboration with group companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The CSR policy is also available on the Company's website at the link: http://www.owmnahar.com/nsml/.
2. **Composition of the CSR Committee:** Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has also constituted Corporate Social Responsibility Committee comprising of three Directors namely:
   - Sh. Dinesh Oswal, Chairman (Managing Director)
   - Dr. S.K. Singla, Member (Independent Director)
   - Sh. Dinesh Gogna, Member (Director)
3. **Average net profit of the Company for last three financial years:** Rs.86.15 Crores
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :** Rs. 1.72 Crores
5. **Details of CSR spend for the financial year:**
   (a) Total amount spent for the financial year: Nil
   (b) Amount unspent, if any: *1.72 crores
   (c) Manner in which the amount spent during the financial year is detailed below: During the year under review, Company could not spent any amount on the CSR activities but it has transferred an amount of Rs. 1.72 crores to the CSR Expense Reserve which would be contributed to the M/s Oswal Foundation on finalization of Eye Care/ Health Care Centre as and when the Foundation is ready to go ahead with the said project. Besides, we would also like to update the information regarding the ongoing CSR projects being undertaken by M/s Oswal Foundation on behalf of the Company/ Group Companies. The information is as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1. Local area or other 2. Specify the State & District where project or programs was undertaken	Amount Outlay (Budget) project or Programs Wise	Amount Spent to the Projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting Period	Amount Spent direct or through implementing agency
1.	A. Government Primary School Lehli (Lalru) B. Government Primary School Dhandari Kalan C. Adoption of Four Govt. Primary Schools in Ludhiana	Promotion of Education	(1) (a) Local Area -3 School (1) (b) Other-2 School (2) State Punjab (2) (a) Ludhiana-3 Schools (2)(b) Lalru,S. A. S Nagar- 2 Schools	Rs. 8.47 Lakhs Rs. 15.33 Lakhs -	Rs. 8.47 Lakhs Rs. 15.33 Lakhs Rs. 49 Lakhs	Rs. 8.47 Lakhs Rs. 15.33 Lakhs Rs. 49 Lakhs	Through Oswal Foundation a Charitable Trust
2.	A. Maintenance of Fountain Chowk B. Maintenance of G.T.Road, Sherpur Chowk. C. Maintenance of Park of Vansathali Doraha For General public	Ensuring Environmental Sustainability	(1) Local Area (2) State-Punjab, Ludhiana (1) Local Area (2) State-Punjab, Ludhiana	Project completed Rs. 20.33 Lakhs Rs. 45.01 Lakhs	Rs. 6.16 Lakhs (Overhead) Rs. 20.33 Lakhs Rs. 45.01 Lakhs	Rs. 6.16 Lakhs (Overhead) Rs. 20.33 Lakhs Rs. 45.01 Lakhs	Through Oswal Foundation a Charitable Trust

6. **Reasons for not spending the two percent of the average net profits of the last three financial years:** The Company for its CSR obligation has joined hands with the other group companies and agreed to do CSR obligation through a Special Purpose Vehicle (SPV), a recognized Charitable Organization M/s Oswal Foundation. They are in the process of finalizing Eye Care and Health Care centre and for which the said organization is finalizing the project. The company would contribute immediately the money of their CSR obligation out of the retained earnings for that purpose to the said foundation as and when they are ready to go with the project. During the year out of its profit the company has set apart committed CSR activity reserve amounting to Rs. 1.72 crores equivalent to its CSR obligation.
7. **A responsibility statement of the CSR Committee:** The members of the CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place - Ludhiana
Date- 12th August, 2017

sd/-
(DINESH OSWAL)
Managing Director/ Chairman of CSR Committee
DIN: 00607290

Annexure-II

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st March, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s Nahar Spinning Mills Ltd
373 Industrial Area, Phase A
Ludhiana-141003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Nahar Spinning Mills Ltd** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year1st April, 2016 to 31st March, 2017 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Nahar Spinning Mills Ltd** ("The Company") for the financial year ended on **31st March, 2017** according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under;
II. The Securities Contracts (Regulation) Act, 1956 **('SCRA')** and the rules made thereunder;
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act')**:-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ***(Not Applicable as the Company has not issued further capital during the financial year under review)***
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ***(Not Applicable, as the Company has not made any such scheme during the Audit Period under review)***
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ***(Not Applicable, as the Company has not issued Debt Securities during the Audit Period under review)***
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review);***
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and ***(Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review).***
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; ***(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review.)***
VI. Textiles (Development and Regulation) Order, 2001

I have also examined compliance with the applicable clauses of the following:
   (i) Secretarial Standards issued by The Institute of Company Secretaries of India
   (ii) The SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015

I Report that during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

2. I further report that
   - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the period under review..

- Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Ludhiana
Date: 12th August, 2017

For P S Bathla & Associates
Parminder Singh Bathla
Company Secretary
FCS No. 4391
C.P No. 2585
SCO-6, Feroze Gandhi Market
Ludhiana

Note: This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Nahar Spinning Mills Ltd
373 Industrial Area, Phase A
Ludhiana-141003

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana
Date:12th August, 2017

For P S Bathla & Associates
Parminder Singh Bathla
Company Secretary
FCS No. 4391
C.P No. 2585
SCO-6, Feroze Gandhi Market
Ludhiana

Annexure-III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L17115PB1980PLC004341
2	Registration Date	16th December, 1980
3	Name of the Company	Nahar Spinning Mills Limited
4	Category/Sub-category of the Company	TEXTILE
5	Address of the Registered office & contact details	373, Industrial Area-A, Ludhiana, Punjab. Phone: 2600701 to 2600705, E mail: secnsm@owmnahar.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Alankit Assignments Limited 2E/21 Alankit House, Jhandewalan Extension, New Delhi -110 055 Contact Details: PHONE: +91-1142541234/23541234, FAX: 91-11-23552001, WEBSITE: www.alankit.com, e-mail: info@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	TEXTILE	131	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Not Applicable

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)Promoter and Promoter Group									
1. Indian									
(a)Individual/ HUF	87591	0	87591	0.24	87591	0	87591	0.243	0.000
(b)CentralGovt/ State Govt.	0	0	0	0.000	0	0	0	0.000	0.000
c) Bodies Corp.	23291834	0	23291834	64.58	23291834	0	23291834	64.582	0.00
e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.00
f) Any other	0	0	0	0.000	0	0	0	0.000	0.00
Sub Total (A)(1)	**23379425**	**0**	**23379425**	**64.82**	**23379425**	**0**	**23379425**	**64.825**	**0.00**
(2) Foreign									
(a)Individual (Non Resident Individuals/Foreign Individuals)	0	0	0	0.000	0	0	0	0.000	0.00

(b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.00
(c) Institutions	0	0	0	0.000	0	0	0	0.000	0.00
(d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.00
(e) Any Other (Total)	0	0	0	0.000	0	0	0	0.000	0.00
Sub Total (A)(2)	**0**	**0**	**0**	**0.000**	**0**	**0**	**0**	**0.000**	**0.00**
Total A(1)+A(2)	**23379425**	**0**	**23379425**	**64.825**	**23379425**	**0**	**23379425**	**64.825**	**0.00**
B. Public Share holding									
1. Institutions									
a) Mutual Funds	3129	4537	7666	0.020	3129	4537	7666	0.021	0.00
b) Banks / FI	44670	2089	46759	0.130	35167	2034	37201	0.100	0.03
c) Central Govt	0	0	0	0.000	0	0	0	0.000	0.00
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.00
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.00
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.00
g) FIIs	0	600	600	0.002	4095	600	4695	0.013	0.00
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.00
i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.00
Sub-total (B)(1):-	**47799**	**7226**	**55025**	**0.150**	**42391**	**7171**	**49562**	**0.14**	**-0.01**
2. Non-Institutions a) Bodies Corp.									
I) Indian	1361494	11989	1373483	3.808	1456498	11835	1468333	4.071	0.260
b) Individuals									
I) Individual share holders holding nominal share capital upto Rs. 1 lakh	7525928	1680150	9206078	25.527	7411827	1613368	9025195	25.024	-0.503
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1918782	0	1918782	5.320	2059865	0	2059865	5.710	0.391
c) Others (specify)									
Non Resident Indians	121694	7004	128698	0.357	81416	805	82221	0.228	-0.129
Trusts	480	110	590	0.002	480	0	480	0.001	-0.001
Director's and their relatives	3000	22	3022	0.008	0	22	22	0.001	-0.007
OCB	0	200	200	0.001	0	200	200	0.001	0.000
Sub-total (B)(2):-	**10931378**	**1699475**	**12630853**	**35.022**	**11010086**	**1626230**	**12636316**	**35.037**	**0.02**
Total Public Shareholding (B)= (B)(1)+ (B)(2)	**10979177**	**1706701**	**12685878**	**35.175**	**11052477**	**1633401**	**12685878**	**35.175**	**0.000**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**34358602**	**1706701**	**36065303**	**100.000**	**34431902**	**1633401**	**36065303**	**100.000**	**0.000**

B) Shareholding of promoter

SN	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Plegged/ encumbers to total share	No. of Shares	% of total Shares of the Company	% of Shares Plegged/ encumbered to total Shares	
1	Ruchika Oswal	11555	0.03	0.00	11555	0.03	0.00	0.00
2	Abhilash Oswal	16000	0.04	0.00	16000	0.04	0.00	0.00
3	Monica Oswal	11520	0.03	0.00	11520	0.03	0.00	0.00
4	Kamal Oswal	24750	0.07	0.00	24750	0.07	0.00	0.00
5	Dinesh Oswal	23766	0.07	0.00	23766	0.07	0.00	0.00
6	Abhilash Growth Fund (P) Limited	189413	0.53	0.00	189413	0.53	0.00	0.00
7	Atam Vallabh Financiers Ltd.	121007	0.34	0.00	121007	0.34	0.00	0.00
8	Bermuda Insurance Brokers (P) Ltd.	20450	0.06	0.00	20450	0.06	0.00	0.00
9	J.L. Growth Fund Limited	338311	0.94	0.00	338311	0.94	0.00	0.00
10	Kovalam Investment & Trading Co. Ltd.	381911	1.06	0.00	381911	1.06	0.00	0.00
11	Monica Growth Fund (P) Ltd.	112520	0.31	0.00	112520	0.31	0.00	0.00
12	Nagdevi Trading & Investment Co.Ltd.	1220386	3.38	0.00	1220386	3.38	0.00	0.00
13	Nahar Poly Films Limited	6902244	19.14	0.00	6902244	19.14	0.00	0.00
14	Nahar Growth Fund (P) Ltd.	218930	0.61	0.00	218930	0.61	0.00	0.00
15	Nahar Industrial Enterprises Ltd.	2356930	6.54	0.00	2356930	6.54	0.00	0.00
16	Neha Credit and Investment (P) Ltd.	51720	0.14	0.00	51720	0.14	0.00	0.00
17	Ruchika Growth Fund (P) Ltd.	113490	0.32	0.00	113490	0.32	0.00	0.00
18	Shankheshwar Holding Co. Ltd.	373041	1.03	0.00	373041	1.03	0.00	0.00
19	Vanaik Investors Ltd.	250554	0.7	0.00	250554	0.7	0.00	0.00
20	Vardhman Investments Ltd.	120170	0.33	0.00	120170	0.33	0.00	0.00
21	Vanaik Spinning Mills Limited	84194	0.23	0.00	84194	0.23	0.00	0.00
22	Oswal Woollen Mills Limited	179179	0.49	0.00	179179	0.49	0.00	0.00
23	Nahar Capital and Fin. Ser. Limited	10257384	28.44	0.00	10257384	28.44	0.00	0.00
	Total	**23379425**	**64.83**	**0.00**	**23379425**	**64.83**	**0.00**	**0.00**

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	23379425	64.83	23379425	64.83
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	N.A.	Nil	N.A.
	At the end of the year	23379425	64.83	23379425	64.83

D) Shareholding Pattern of top ten Shareholders : (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the top 10	Shareholding		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04-2016 to 31.03.2017)	
		No. of shares Beginning (01.04.2016) end of the year (31.03. 2017)	% of total shares of the Company				No. of shares	% of Total shares of the Company
1	Viral Amal Parikh (1301190300085570)	Nil	---	01-04-2016				
				20-01-2017	249000	Mkt. Purchase	249000	0.69
		249000	0.69	31-03-2017				
2	Dolly Khanna (In30015910002665)	Nil		01-04-2016				
				20-05-2016	21930	Mkt.Purchase	21930	0.06
				27-05-2016	112588	Mkt.Purchase	134518	0.37
				03-06-2016	-9214	Mkt. Sale	125304	0.35
				10-06-2016	-525	Mkt. Sale	124779	0.34
				24-06-2016	4400	Mkt.Purchase	129179	0.36
				08-07-2016	5400	Mkt.Purchase	134579	0.37
				22-07-2016	13779	Mkt.Purchase	148358	0.41
				29-07-2016	3100	Mkt.Purchase	151458	0.42
				05-08-2016	2875	Mkt.Purchase	154333	0.43
				28-10-2016	3550	Mkt.Purchase	157883	0.44
				27-01-2017	3289	Mkt.Purchase	161172	0.45
		161172	0.45	31-03-2017				
3	Anil Kumar Goel (1203760000210771)	153000	0.42	01.04.2016				
				02-09-2016	153000	Mkt.Purchase	306000	0.85
				09-09-2016	-153000	Mkt. Sale	153000	0.42
		153000	0.42	31-03-2017				
4	Angel Fincap Private Limited (1203320007719863)	12461	0.03	01-04-2016				
				15-04-2016	-850	Mkt. Sale	11611	0.03
				06-05-2016	2525	Mkt.Purchase	14136	0.04
				13-05-2016	-1334	Mkt. Sale	12802	0.03
				20-05-2016	-2376	Mkt. Sale	10426	0.02
				27-05-2016	25	Mkt.Purchase	10451	0.02
				03-06-2016	219	Mkt.Purchase	10670	0.03
				10-06-2016	266	Mkt. Purchase	10936	0.03
				17-06-2016	-566	Mkt. Sale	10370	0.03
				24-06-2016	50	Mkt. Purchase	10420	0.02
				27-06-2016	31	Mkt. Purchase	10451	0.02
				30-06-2016	-250	Mkt. Sale	10170	0.02
				08-07-2016	-421	Mkt. Sale	9749	0.02
				22-07-2016	-15	Mkt. Sale	9734	0.02
				29-07-2016	-185	Mkt. Sale	9549	0.02
				12-08-2016	35	Mkt. Purchase	9584	0.02
				19-08-2016	-250	Mkt. Sale	9334	0.02
				26-08-2016	1	Mkt. Purchase	9335	0.02
				02-09-2016	8891	Mkt. Purchase	18226	0.05

				09-09-2016	-9359	Mkt. Sale	8867	0.02
				16-09-2016	2630	Mkt. Purchase	11497	0.03
				23-09-2016	-250	Mkt. Sale	11247	0.03
				30-09-2016	-1953	Mkt. Sale	9294	0.02
				07-10-2016	-400	Mkt. Sale	8894	0.02
				14-10-2016	-650	Mkt. Sale	8244	0.02
				21-10-2016	-300	Mkt. Sale	7944	0.02
				28-10-2016	100	Mkt. Purchase	8044	0.02
				04-11-2016	639	Mkt. Purchase	8683	0.02
				11-11-2016	-100	Mkt. Sale	8583	0.02
				18-11-2016	-100	Mkt. Sale	8483	0.02
				02-12-2016	250	Mkt. Purchase	8733	0.02
				09-12-2016	7010	Mkt. Purchase	15743	0.04
				20-01-2017	-1300	Mkt. Sale	14443	0.04
				10-02-2017	65	Mkt. Purchase	14508	0.04
				17-02-2017	-1383	Mkt. Sale	13125	0.04
				24-02-2017	-300	Mkt. Sale	12825	0.03
				03-03-2017	374	Mkt. Purchase	13199	0.04
				10-03-2017	70988	Mkt. Purchase	84187	0.23
				17-03-2017	67494	Mkt. Purchase	151681	0.42
				31-03-2017	200	Mkt. Purchase	151881	0.42
		151881	0.42	31-03-2017				
5	Sanjeev Vinodchandra Parekh	148936	0.41	01-04-2016				
	(IN300409/10011922)	148936	0.41	31-03-2017				
6	Pranav Kumarpal Parekh	126144	0.35	01-04-2016				
	(IN300409/10012064)			10-03-2017	17661	Mkt. Purchase	143805	0.40
		143805	0.40	31-03-2017				
7.	CD Integrated Servics Ltd.	106893	0.30	01-04-2016				
	(IN301549/16914184)			29-07-2016	10000	Mkt. Purchase	116893	0.32
				30-03-2017	1	Mkt. Purchase	116894	0.32
				31-03-2017	-10000	Mkt. Sale	106894	0.30
		106894	0.31	31-03-2017				
8.	Vinodchandra Mansukhal	102954	0.28	01-04-2016				
	Parekh (IN300409/10011221)	102954	0.28	31-03-2017				
9.	Ashok Kumar Jain	Nil		01-04-2016				
	(In30611421063390)			28-10-2016	28501	Mkt.Purchase	28501	0.08
				04-11-2016	3600	Mkt.Purchase	32101	0.09
				11-11-2016	9308	Mkt.Purchase	41409	0.11
				18-11-2016	3853	Mkt.Purchase	45262	0.12
				25-11-2016	1317	Mkt.Purchase	46579	0.13
				02-12-2016	10513	Mkt.Purchase	57092	0.16
				09-12-2016	7859	Mkt.Purchase	64951	0.18
				13-01-2017	13820	Mkt.Purchase	78771	0.22
				20-01-2017	-13500	Mkt Sale	65271	0.18
				03-02-2017	1930	Mkt.Purchase	67201	0.19
				17-02-2017	9360	Mkt.Purchase	76561	0.21
				10-03-2017	540	Mkt.Purchase	77101	0.21
				17-03-2017	15120	Mkt.Purchase	92221	0.25
				24-03-2017	185	Mkt.Purchase	92406	0.25
		92406	0.26	31-03-2017				
10.	Reliance Securities Ltd.	Nil		01-04-2016				
	(1304140006482856)			30-09-2016	96500	Mkt.Purchase	96500	0.27
				18-11-2016	-5000	Mkt Sale	91500	0.25
		91500	0.25	31-03-2017				
11	Lilavati Ashok Shah	220000	0.61	01-04-2016				
	(1203320001599918)			02-09-2016	220000	Mkt.Purchase	440000	1.22
				09-09-2016	-220000	Mkt Sale	220000	0.61
				18-11-2016	-220000	Mkt Sale	Nil	
		Nil		31-03-2017				
12.	Chetan Rasiklal Shah	92963	0.26	01-04-2016				
	(1304140007802911)			13-05-2016	37	Mkt.Purchase	93000	0.26
				20-05-2016	15000	Mkt.Purchase	108000	0.30
				02-09-2016	85000	Mkt.Purchase	193000	0.53
				09-09-2016	-96500	Mkt Sale	96500	0.27
				30-09-2016	-96500	Mkt Sale	Nil	
		Nil		31-03-2017				

13.	Bharat Jyantilal Patel (IN300159/10517046)	80500	---	01-04-2016				
				01-04-2016	-80500	Mkt Sale	Nil	
		Nil		31-03-2017				
14	Puja Aggarwal (IN300360/20027873)	76000	---	01-04-2016				
				29-07-2016	-3100	Mkt Sale	72900	0.20
				05-08-2016	-6814	Mkt Sale	66086	0.18
				04-11-2016	-86	Mkt Sale	66000	0.18
				25-11-2016	5000	Mkt.Purchase	71000	0.20
				24-03-2017	-2000	Mkt Sale	69000	0.16
		69000	0.19	31-03-2017				
15.	Chandraika Vinodchandra Parekh (IN300409/10011230)	74619	0.21	01-04-2016				
		74619	0.21	31-03-2017				

E. SHAREHOLDING OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total	No. of	% of Total shares of
		company	shares of the	shares	the company
	Director				
1	Prof. K.S.Maini				
	At the beginning of the year	22	0.00	22	0.00
	increase-decrease in shareholding during the year	0	0.00	0	0.00
	At the end of the year	22	0.00	22	0.00
	KMP				
2	Sh. Anil Garg				
	At the beginning of the year	0	0.00	0	0.00
	increase-decrease in shareholding during the year	200	0.00	0	0.00
	At the end of the year	200	0.00	0	0.00

Note : Sh. Dinesh Oswal is Managing Director and Sh. Kamal Oswal is Director of the company. Further, they are also promoters of the company and their holdings of shares in their individual names have been included under the Promoter Category.

V) INDEBTEDNESS :- Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtness
Indebtedness at the beginning of the financial year	-	-	-	
i) Principal Amount	37225.27	-	-	37225.27
ii) Interest due but not paid	52.08	-	-	52.08
iii) Interest accrued but not due	0.00	-	-	0.00
Total (i+ii+iii)	**37277.35**	-	-	**37277.35**
Change in Indebtedness during the financial year				
* Addition	0.00	-	-	0.00
* Reduction	9030.45	-	-	9030.45
Net Change	-9030.45	-	-	-9030.45
Indebtedness at the end of the financial year				
i) Principal Amount	28246.89	-	-	28246.89
ii) Interest due but not paid	0.00	-	-	0.00
iii) Interest accrued but not due	0.00	-	-	0.00
Total (i+ii+iii)	**28246.89**	-	-	**28246.89**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	Mr. Dinesh Oswal, Managing Director	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	*46200000	*46200000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17 (3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	–	–
5	Others, please specify	–	–
	Total (A)	*46200000	*46200000
	Ceiling as per the Act	5% of the Net Profit of the Company is Rs.337.40 lakhs	

*Note Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Central Government vide its letter no. SRN C35933985/2014-CL.VII dated 17th February, 2016 accorded approval for payment of remuneration at Rs. 6,96, 00,000 per annum for the period commencing from 1st April, 2014 to 31st December, 2016 to Mr. Dinesh Oswal, Managing Director of the Company which he may draw from M/S Nahar Spinning Mills and M/S Nahar Capital and Financial Services Ltd. or partly from the first and remaining from the Second Company. Accordingly the Company paid Rs.4.32 crores as Salary from 1st April 2016 to 31st December 2016 as per central government approval and thereafter from 1st January 2017 to 31st March 2017 he has been paid a monthly salary of Rs. 1000000 per month because of inadequacy of profits. The Company has already submitted an application to the Ministry of Corporate Affairs (Central government) vide SRN No. G41303728 dated 19th April, 2017 for its approval for payment of remuneration to Mr. Dinesh Oswal the Managing Director of the Company, as per shareholder approval vide their resolution dated 30th September, 2016.

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors					Total Amount
1	**Independent Directors**	Dr. (Mrs. H.K.Bal)	Prof. K.S. Maini	Dr. A.S. Sohi	Dr. Y.P. Sachdeva	Dr. S.K. Singla	
	Fee for attending board/ committee meetings	40000	30000	30000	20000	40000	160000
	Commission	--	--	--	--	–	–
	Others, please specify	--	--	--	--	–	–
	Total (1)	40000	30000	30000	20000	40000	160000
2	**Other Non-Executive Directors**	Mr. Jawahar Lal Oswal	Mr. Dinesh Gogna	Mr. Kamal Oswal	Mr. S.K. Sharma		
	Fee for attending board/ committee meetings	40000	40000	40000	40000	--	160000
	Commission	--	--	--	--	–	–
	Others, please specify	--	--	--	--	–	–
	Total (2)	40000	40000	40000	40000	--	160000
	Total (B)=(1+2)	80000	70000	70000	60000	40000	320000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	11% of the net profit of the Company is Rs. 742.29 lakhs					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
	Name	Brij Sharma	Anil Kumar Garg	
		CS	CFO	Total
1	Gross salary	1758045	1805130	3563175
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	73950	75300	149250
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	–	–
2	Stock Option	--	–	–
3	Sweat Equity	--	–	–
4	Commission	--	–	–
	- as % of profit	--	–	–
	others, specify…	--	–	–
5	Others, please specify	--	–	–
	Total	**1831995**	**1880430**	**3712425**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act,	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made, if any (give) Details)
A. COMPANY		**NONE**			
Penalty					
Punishment					
Compounding					
B. DIRECTORS		**NONE**			
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		**NONE**			
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 12th August, 2017

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

Annexure-IV

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation financial year	Remuneration of Director /KMP for in the Financial 2016-17	% increase in Remuneration each Director/ Year 2016-17	Ratio of remuneration of of the KMP to median remuneration of employees	Comparison of the Remuneration Against the Performance of the Company
1	Sh. J.L. Oswal Non-Executive Director	40000	Nil	0.30	
2	Sh. Dinesh Oswal Managing Director	46200000*	-19.71	344.78	PBT decreased by 14.44% PAT decreased by 9.63%
3.	Sh. Kamal Oswal Non-Executive Director	40000	-20	0.30	
4.	Sh. Dinesh Gogna Non-Executive Director	40000	-20	0.30	
5.	Sh. S.K. Sharma Non-Executive Director	40000	Nil	0.30	
6.	Dr. (Mrs.) H.K. Bal Non-Executive Director	40000	Nil	0.30	
7.	Dr. S.K. Singla Non-Executive Director	40000	-20	0.30	
8.	Dr. Y.P. Sachdeva Non-Executive Director	20000	-60	0.15	
9.	Prof. K.S. Maini Non-Executive Director	30000	-40	0.22	
10.	Dr. A.S. Sohi Non-Executive Director	30000	50	0.22	
11.	Sh. Anil Garg Chief Financial Officer	1880430	11.22	N.A.	PBT decreased by 14.44% PAT decreased by 9.63%
12	Mr. Brij Sharma Company Secretary	1831995	8.38	N.A.	

*Note Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Central Government vide its letter no. SRN C35933985/2014-CL.VII dated 17th February, 2016 accorded approval for payment of remuneration at Rs. 6,96,00,000 per annum for the period commencing from 1st April, 2014 to 31st December, 2016 to Mr. Dinesh Oswal, Managing Director of the Company which he may draw from M/S Nahar Spinning Mills and M/S Nahar Capital and Financial Services Ltd. or partly from the first and remaining from the Second Company . Accordingly the Company paid Rs. 4.32 crores as Salary from 1st April 2016 to 31st December 2016 as per central government approval and thereafter from 1st January 2017 to 31st March, 2017, he has been paid a monthly salary of Rs. 10,00,000 per month because of inadequacy of profits. The Company has already submitted an application to the Ministry of Corporate Affairs (Central government) vide SRN No. G41303728 dated 19th April, 2017 for its approval for payment of remuneration to Mr. Dinesh Oswal the Managing Director of the Company, as per shareholder approval vide their resolution dated 30th September, 2016.

1. The median remuneration of employees of the Company during the financial year was Rs. 1.34 Lakhs (approx.).
2. In the financial year, there was an increase of 3.31 % in the median remuneration of employees
3. There were 13247 permanent employees on the rolls of Company as on March 31, 2017.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 32.77% whereas the decrease in the managerial remuneration for the same financial year was 18%.
5. It is hereby affirmed that the remuneration paid is as or the Appointment and Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

Details of top ten employees of the Company in terms of salary drawn as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name & Designation	Remuneration received (Rs. in Lakhs)	Nature of employment (contractual or otherwise)	Qualification & Experience	Date of commencement of employment	Age	Last employment held	% age of equity shares held	Whether relative of any director or manager
1.	Sh. Dinesh Oswal	462	Contractual	B.com	01.01.1987	53	Oswal Woollens Mills Ltd.	0.06	1. S/o. Sh. J.L. Oswal Chairman 2. B/o Sh. Kamal Oswal
2.	Sh. T. Chandar Mohan Chief executive	28.10	Regular	D.T.T. 50 Years	12.06.1996	70	Malwa Cotton Spinning Mills Ltd.	N.A.	No
3.	Sh. S.D. Avasthi G.M.	21.96	Regular	B.Text 37 Years	14.05.1992	61	Vardhman Polytex Ltd.	N.A.	No
4.	Sh. R.A. Tyagi Chief Executive	20.49	Regular	B.Sc (ATA MEP) 46 years	04.05.2000	68	Mahavir Spinning Mills Ltd.	N.A.	No
5.	Sh. Ashok Kapoor G.M.(RM)	19.89	Regular	FCA 39 years	23.11.2006	68	Mayar India Ltd.	N.A.	No
6.	Sh. Manjeet Singh G.M. (System)	19.22	Regular	Graduate 39 Years	01.03.1987	64	Oswal Woollen Mills Ltd.	N.A.	No
7.	Sh. Ashwani Aggarwal G.M. (Export)	18.98	Regular	FCA 31 years	06.01.1986	55	N.A.	N.A.	No
8.	Sh. Anil Garg	18.80	Regular	FCA 34 years	01.02.1993	59	Nahar Fiber Ltd.	N.A.	No
9.	Sh. P.K. vashishth (F.C)	18.78	Regular	FCA 30 years	06.09.1993	54	Hero Cycles Ltd.	N.A.	No
10.	Sh. S.S. Grewal	18.73	Regular	Dip. in Textile Chemistery 36 years	29.05.1993	57	Punjab Wool Cumber Ltd.	N.A.	No

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 12th August, 2017

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

ANNEXURE-V

PARTICULARS OF CONSERVATION OF ENEGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

a) Steps taken for conservation of energy

Energy conservation is an ongoing process in our organization. The company carries out continuous monitoring, planning, development and modification in our all units to conserve energy. The company always select latest art of technology, machinery and equipment having low energy consumption. The Company has taken following measures for energy conservation:

I) Company is replacing in phases, conventional chokes & tube rods with LED tube rods resulting in approx 50% reduction in lighting load..

ii) The Company is replacing de-rated power capacitor banks on regular basis.

iii) The Old machinery is being replaced with new ultra modern machinery to save on electricity consumption.

iv) The Company has installed 14 Nos. conversion kits on speed frame machines by removing fluid coupling.

b) Steps taken for utilising alternate sources of energy

The Company has already set up 812 KW Roof top solar project at Village Jodhan, Ludhiana and it is generating green energy i.e. apprtoximately 1.00 Lac unit per month.

The Company has also set up 750 KW Roof top solar project in one of the Company's Spinning Unit at Village Lalru, Dist. SAS Nagar.

c) Capital Investment on energy conservation equipments

The Company has already made a Capital Investment Rs 336.00 Lakhs upto 31st March, 2017 on the Roof top solar project at Village Lalru, Dist. SAS Nagar.

B. TECHNOLOGY ABSORPTION

The Company continues to make efforts for Technology Absorption in all its spinning units. The efforts made by the Company are summarized as under:

Efforts made towards Technology Absorption

1. The Company has installed latest generation of contamination sorter Loptex Centra, Loptex Optosonic from Italy, Vision Shield from Jossi, Switzerland and I-scan from Nestling, Coimbatore.
2. The Company has installed Schlaforst AC_6 autoconer having Loepfe Cleaner (Zeinth+) with foreign matter & polypropylene clearing system from Germany to get the world class yarn.
3. The company has the latest on line & offline testing and monitoring equipments to maintain the consistency of raw material as well as finished products. The Company is able to produce the improved quality of material though R&D monitoring. This has enabled the Company to meet ever increasing expectations of its customers.
4. The R&D efforts in the company are focused not only on productivity, quality improvement with waste reduction but also developing value added products like Multi Slub yarn, Multi Count with Multi Slub yarn & Multi Twist Yarn, 100% Organic cotton and Organic cotton blends, B.C.I. Cotton & Cleaner Cotton, Polyester Cotton blends, Specialty yarn (Magic Yarn), Cotton Modal Blend, Melange yarn in different shade and blends for overseas & domestic Markets.

- **Benefits derived**
- The company has not only improved its product quality and productivity but also has reduced its manufacturing costs. The Company has been able to project its image in the World Markets as a Manufacturer of 'World Class Yarn' which has enabled it to compete in the global markets and increase its market share.
- **Information regarding Technology imported during the last three years:**

Detail of Technology imported	:	NIL
Year of import	:	NA
Whether the technology has been fully absorbed:	:	NA
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	NA

- **Expenditure on R & D**

Capital(Rs.)	:	NIL
Recurring (Rs.)	:	NIL
Total(Rs.)	:	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(I)	Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans	With the opening of Global Trade company has taken effective steps to increase its exports and diversified export Markets. Company continues to make efforts to provide quality products at a very competitive rates so that it can compete with Inter-national suppliers and maintain a steady growth of exports.

		Current Year	Previous Year
(II)	**Total Foreign Exchange used and earned**		
a)	Earnings (FOB value of Exports and other Receipts etc.)	**134228.40**	126096.98
b)	Outgo (CIF value of Imports, expenditure in foreign currency and other payments)	**10267.41**	7295.10

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA **JAWAHAR LAL OSWAL**
DATED: 12th August, 2017 **(Chairman)**
DIN: 00463866

ANNEXURE - VI

CORPORATE GOVERNANCE REPORT

This report of Corporate Governance form part of the Annual Report.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is a key to success of business. The Company's philosophy envisages an attainment of highest level of the transparency and accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders could be achieved. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations, 2015"), incorporate certain mandatory disclosure requirements which shall be made with regard to Corporate Governance (Part C of Schedule V) and accordingly we are pleased to Report on the Corporate Governance as under : -

II. BOARD OF DIRECTORS

a. Board Composition:

The Management believes that Board needs to have appropriate mix of Executive, Non- Executive and Independent Directors to maintain its Independence in Governance and Management of the Company. The Regulation 17(1) of SEBI (LODR) Regulations, 2015, also prescribes that the Board of the Company should have the optimum combination of executive and non-executive Directors with at least one women director.

The present strength of the Board as on 31st March, 2017 is Ten Directors. The Board is optimal mix of Executive and Non-Executive Directors. Mr. Dinesh Oswal is Managing Director of the Company and Sh. Jawahar Lal Oswal is Non-Executive Chairman. Since the Chairman is one of the promoter of the Company accordingly, in compliance with Regulations 17(b) of SEBI LODR Regulations, 2015, the Company's Board should have atleast half of the Board as Independent Directors. The Present Board of the Company has Five Independent Directors namely; Dr. (Mrs.) H.K. BAL, Prof. K.S. Maini, Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi, Dr. Yash Paul Sachdeva. Dr. (Mrs.) H.K. Bal, is the Women Director of the Company. Sh. Kamal Oswal, Sh. Dinesh Gogna and Sh. S.K. Sharma are other Non-executive Directors of the Company. Thus the Company has already complied the Regulation 17(b) of SEBI LODR Regulations, 2015.

The Board also periodically evaluates the need for change in its composition and size. We would like to inform you that Dr. (Mrs.) H.K. Bal, Prof K.S. Maini, Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi, Dr. Yash Paul Sachdeva, were appointed as Independent Directors by the shareholders vide their resolution dated 30th September, 2014, to hold office for three consecutive years for a term upto the conclusion of 37th Annual General Meeting. Thus, their period of office shall expire at the conclusion of the 37th Annual General Meeting scheduled to be held on 26th September, 2017. The Board on the recommendation of Nomination and Remuneration Committee and on the basis of performance evaluation of Directors, has decided to re-appoint Dr. Suresh Kumar Singla (DIN 00403423) and Dr. Amrik Singh Sohi (DIN 03575022), as Independent Directors for a second term of five consecutive years upto 25th September, 2022 and Prof. K.S. Maini (DIN 00454686) as an Independent Director for a second term of three consecutive years upto September 25, 2020.

The Board on the recommendation of Nomination and Remuneration Committee recommended the appointment of Dr.Vijay Asdhir (DIN 006671174) and Dr. Manisha Gupta, (DIN 06910242) as Independent Directors of the Company to hold the office for five consecutive years for a term upto September 25, 2022

b. Number of Board Meetings held and dates on which held:

As per the provisions of Section 173 of the Companies Act. 2013 and the Rules made thereunder, read with SEBI LODR Regulations, 2015, every Company is required to hold a minimum four number of Board Meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive Board Meetings. We are pleased to Report that the Company held four Board Meetings during the year i.e. on 30th May, 2016, 12th August, 2016, 11th November, 2016 and 13th February, 2017 with a clearly defined agenda and has thus complied with the said provisions of the Act. The agenda alongwith the explanatory notes are circulated to the Directors well in advance. Every Board member can suggest the inclusion of additional items in the agenda. All the Directors strive to be present at the Board Meetings.

c. Details of Attendance of Directors at the Board Meetings and Last Annual General Meeting:

The participation of Non-Executive Directors and Independent Directors has been active in the Board Meetings. The Attendance record of Directors in the Board Meeting during the year 2016-17 and last Annual General Meeting held on Friday, 30th day of September, 2016 is given here under:

Name of Director	Category of Directors	No. of other Directorship (excluding private company)	No. of Committe membership		No.of Board Meeting attended	AGM Attendance	No. of Shares held
			Member	Chairman			
Sh.Jawahar Lal Oswal	Non Executive-Promoter	8	*	1	4	No	Nil
Sh.. Dinesh Oswal	Executive- Promoter	8	*	*	4	Yes	23766
Sh. Kamal Oswal	Non Executive - Promoter	9	1	1	4	Yes	24750
Sh. Dinesh Gogna	Non Executive	8	6	2	4	Yes	Nil
Sh. S.K. Sharma	Non Executive	2	2	*	4	Yes	Nil
Dr.(Mrs.) H.K. Bal	Independent	5	5	2	4	No	Nil
Dr. Yash Paul Sachdeva	Independent	5	6	1	2	No	Nil
Prof. K.S. Maini	Independent	3	3	1	3	No	22
Dr. S.K. Singla	Independent	4	3	6	4	Yes	Nil
Dr. Amrik Singh Sohi	Independent	4	1	1	3	No	Nil

d. Number of other Board of Directors or Committees in which Directors are member or chairperson:

The information regarding the other Board of Directors or Committees in which Directors are member or chairperson is already given in the table given in Para C above. None of the Director holds Directorship in more than twenty Companies and is Director of more than ten public limited companies as prescribed under the Companies Act, 2013. Independent Directors are holding Directorship as per the limit specified in Regulation 25(1) SEBI LODR Regulations, 2015. None of the director is a member of more than Ten (10) Board level Committees or is Chairperson of more than Five (5) such Board level Committees as required under Regulation 26(1) of SEBI LODR Regulations, 2015.

e. Disclosure of relationships between directors inter-se:

Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal, Director and Mr. Dinesh Oswal, Managing Director of the Company. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers. None of other Director is related to any other director within the meaning of Section 2(77) of the Companies Act, 2013.

f. No. of Shares and Convertible Instruments held by non-executive directors:

Sh. Dinesh Oswal who is a Managing Director of the Company is Holding 23766 equity shares of Rs. 5 each of the Company. Sh. Kamal Oswal Non-Executive Promoter Director is holding 24750 equity shares of Rs. 5 each of the Company. Likewise, Prof. K.S. Maini who is an Independent Director is also holding 22 equity shares of Rs. 5 each of the Company. None of the other Non-Executive Directors are holding any share and convertible instruments issued by the Company.

g. Web link of Familiarization Programs:

The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at http://owmnahar.com/spinning/pdf/Familiarization-programme-NSML0001.pdf.

h. Separate Meeting of Independent Directors:

As per the provisions of the Companies Act, 2013 and the Rules made thereunder the Independent Directors are required to hold atleast one meeting in a year without the attendance of Non Independent Directors and members of Management. We are pleased to Report that the Company's Independent Directors met on 19th December, 2016, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. At the Meeting, they –

i. Reviewed the performance of non-independent directors and the Board as a whole;
ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;

iii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

BOARD COMMITTEES

The board has constituted Audit Committee, Nomination and Remuneration Committee, Stake holder Relationship Committee, Share Transfer Committee and Corporate Social Responsibility Committee which helps the Board in good corporate governance. Normally all the Committees meets four time in a year. The recommendation of the committees are submitted to the Board for their approval.

III. AUDIT COMMITTEE

a. Brief Description of Terms of Reference:

The Board has constituted an independent and qualified Audit Committee. The term of reference of the Audit Committee is as per Part C of Schedule II of the SEBI LODR Regulations, 2015 and Section 177(4) of Companies Act, 2013.

b. Composition:

The Audit Committee is comprised of three Independent Directors under the chairmanship of Prof. K.S. Maini who is an Independent Director. Mr. Dinesh Gogna, Non- Executive Director and Dr. S. K. Singla, an Independent Director are the two other members of the Audit Committee. There has been no change in the composition of the Committee during the year. Prof. K.S. Maini is a Post Graduate in Commerce. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana. He is having requisite expertise in Financial and Accounting matters. Dr. S.K. Singla is M.A. in Economics & Statistics & Ph.D. in Statistics and is having requisite experience in teaching Business Management & Administration. Likewise, Mr. Dinesh Gogna is having 38 years of experience in corporate Finance, Taxation, Financial and Accounting matters. Mr. Brij Sharma is the Secretary of the Committee. Mr. Anil Garg who is the Chief Financial Officer is a permanent invitee of the Committee. The Statutory Auditors and Internal Auditors are also invited to attend the meetings as and when felt necessary and as per relevant provisions of the applicable laws/Rules.

The Audit Committee helps the Board in monitoring Company's financial Reporting process and ensures timely and accurate disclosure besides the Committee also oversees the work of internal and statutory Auditors.

c. Meetings and Attendance

During the financial year 2016-17, the Committee met four times i.e. on 28th May, 2016, 12th August, 2016, 11th November, 2016 and 13th February, 2017, for reviewing and adopting the quarterly un-audited financial results as well as the financial statements for the year ended 31st March, 2017 before recommending the same to the Board of Directors for their perusal and adoption.

The attendance record of the Audit Committee members during the year 2016-17 is as under:-

Name of the Member	No. of meetings held	No. of meetings attended
Prof. K.S. Maini	4	3
Sh. Dinesh Gogna	4	4
Dr. S.K. Singla	4	4

IV. NOMINATION AND REMUNERATION COMMITTEE

a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations, 2015, the Board constituted the Nomination and Remuneration Committee. The broad term of reference of the Nomination and Remuneration Committee is as per the requirements of Part D of Schedule II of SEBI LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee identifies the persons who are suitable and qualified enough to become Directors and who may be appointed in senior management category in accordance with the criteria laid down and recommend to the Board their appointment and removal. It carries out evaluation of every director's performance. The Committee also ensures that Company's remuneration policies in respect of Managing Director, Key Managerial Personnel and Senior Executives are competitive so as to recruit and retain best talent in the Company. It also ensures the appropriate disclosure of remuneration paid to the Directors, Managing Director, KMP and Senior Executives as per the applicable provisions of the Companies Act, 2013 and also devises a Policy on "Diversity of Board of Directors".

b. Composition:

The Committee consists of three Independent Directors namely; Dr. S.K. Singla as the Chairman and Dr. Amrik Singh Sohi and Dr. (Mrs.) H.K. Bal as members of the Committee. There has been no change in the composition of the Committee during

the year.

c. Meetings and Attendance:

The Nomination and Remuneration Committee met four times i.e. on 30th May, 2016, 12th August, 2016, 15th September, 2016 and 17th January, 2017 during the year under review. The attendance record at the meetings held during the year 2016-17 is as follows:

Name of the Member	No. of meetings held	No. of meetings attended
Dr. S.K. Singla	4	4
Dr. A.S. Sohi	4	3
Dr.(Mrs.) H.K. Bal	4	4

d. Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of parameters for evaluation includes education, knowledge, experience, expertise, skills, bahaviour, leadership qualities, level of engagement and contribution, independence of judgment, ability to communicate effectively with other Board members and management, effective decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

V. REMUNERATION OF DIRECTORS

a. Pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company:

None of the Non Executive Directors has any pecuniary relationships or transactions vis-à-vis the Company.

b. Criteria of making payment to non-executive directors:

The Non-Executive Directors are paid remuneration in the form of sitting fee of Rs. 10,000/- per meeting for attending the Board Meeting of the Company. The details of sitting fee paid to Non executive Directors during the year 2016-17 is as follows:

Name of Director	Sitting Fees (Rs.)
Mr. Jawahar Lal Oswal	40,000.00
Mr. Kamal Oswal	40,000.00
Mr. Dinesh Gogna	40,000.00
Mr. S.K. Sharma	40,000.00
Dr.(Mrs.) H.K. Bal	40,000.00
Prof. K.S. Maini	30,000.00
Dr. S.K. Singla	40,000.00
Dr. Amrik Singh Sohi	30,000.00
Dr. Yash Paul Sachdeva	20,000.00
Total	**3,20,000.00**

c. Disclosures with respect to remuneration:

All the non executive Directors of the Company are paid sitting fee for attending the Board Meeting. Mr. Dinesh Oswal, being the Managing Director of the Company has been paid remuneration pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013. The disclosure in respect of remuneration paid to Mr. Dinesh Oswal is as detailed below:

i. Elements of remuneration package

The elements of remuneration package paid to Mr. Dinesh Oswal, Managing Director of the Company, during the year 2016-17 is as follows:

Name of the Director	Salary	Benefits	Bonuses	Stock Options	Pension	Total
Dinesh Oswal	46200000	-	-	-	-	46200000

Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Central Government vide its letter no. SRN C35933985/2014-CL.VII dated 17th February, 2016 has given their approval for payment of remuneration at Rs. 6,96,00,000 per annum for the period commencing from 1st April, 2014 to 31st December, 2016 to Mr. Dinesh Oswal, Managing Director of the Company which he may draw from M/s Nahar Spinning Mills and M/s Nahar Capital and Financial Services Ltd. or partly from the first and remaining from the second Company. Accordingly, the Company paid Rs.4.32 crores as Salary from 1st April 2016 to 31st December 2016 as per Central Government approval and thereafter from 1st January, 2017 to 31st March, 2017, he has been paid a monthly salary of Rs. 10,00,000/- because of inadequacy of profits. The Company has already submitted an application to the Ministry of Corporate Affairs (Central Government) vide SRN No. G41303728 dated 19th April, 2017 for its approval for payment of remuneration to Mr. Dinesh Oswal, the Managing Director of the Company, as approved by shareholders vide their Special Resolution dated 30th September, 2016.

ii. Details of fixed component and performance linked incentives, along with performance criteria

The fixed Component of remuneration of Managing Director includes salary, H.R.A, perquisites and retirement benefits. He is also entitled to 1.5% commission of the net profits of the Company, subject to overall limit as prescribed under Section 197 of the Companies Act, 2013.

iii. Service contracts, notice period, severance fees;

The tenure of office of the Managing Director is for five years from the respective date of appointment

and same can be terminated by either party by giving three months notice in writing. There is no separate provision for payment of severance fees.

iv. Stock option details

None of the Non-Executive Director has been granted any stock option by the company.

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted the Stakeholders' Relationship Committee. The Committee looks into the complaints/grievances of shareholders in respect of transfer of shares, Non receipt of Dividend, Share Certificates, Annual Reports etc. and recommends measures for improving the quality of investor service. The Committee also oversees the performance of M/s Alankit Assignment Ltd. the Registrar and Transfer Agent of the Company. The main objective of the Committee is to assist the Board and Company in maintaining healthier relationship with all stakeholders.

b. Composition:

The Committee consists of three non executive Directors under the Chairmanship of Dr. (Mrs.) H.K. Bal. Dr. Amrik Singh Sohi an Independent Director and Mr. S.K. Sharma a Non Executive Director are the other two members of the Committee. There has been no change in the composition of the Committee during the year.

c. Meetings and Attendance

The Committee met four times from 1st April, 2016 to 31st March, 2017 i.e. on 28th May, 2016, 11th August, 2016, 10th November, 2016 and 11th February, 2017. The attendance record at the meetings held during the year 2016-17 is as follow:-

Name of the Member	No. of meetings held	No. of meetings attended
Dr.(Mrs.) H.K. Bal	4	4
Sh. S.K. Sharma	4	4
Dr. A.S. Sohi	4	3

d. Name and Designation of Compliance Officer

Mr. Brij Sharma, Company Secretary is the Compliance Officer of the Company.

e. Details of Investors' complaints received/ resolved/not solved to the satisfaction of shareholders/pending:

The Company has been quick in redressal of the grievances of the shareholders and has attended to most of the investors correspondence/grievances within a period of 7 to 10 days from the date of the receipt of the same. The details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/pending is given herebelow:

No. of complaints received during the year : 4
No. of complaints resolved during the year : 4
No. not solved to the satisfaction of shareholder : NIL
No. of complaints pending as on 31st March, 2017 : NIL

f. Dedicated e-mail for Investor Grievance

To enable investors to register their grievances, the company has designated an exclusive e-mail id gredressalnsml@owmnahar.com

VII. SHARE TRANSFER COMMITTEE

The Company has also constituted a Share Transfer Committee comprising of 4 (four) members under the Chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Mr. Dinesh Gogna and Mr. S.K. Sharma, Directors of the Company and Mr. Brij Sharma, Company Secretary of the Company, are the members of the Committee. The Committee is responsible for approving the transfer and transmission of securities, dematerialisation of shares, issuance of duplicate share certificates and other shareholders related issues. The Committee met twenty four times during the year under review i.e. 15th April, 2016, 30th April, 2016, 16th May, 2016, 31th May, 2016, 15th June, 2016, 30th June, 2016, 16th July, 2016, 30th July, 2016, 16th August, 2016, 31st August, 2016, 9th September, 2016, 30th September, 2016, 15th October, 2016, 29th October, 2016, 11th November, 2016, 30th November, 2016, 15th December, 2016, 31st December, 2016, 16th January, 2017, 31st January, 2017, 15th February, 2017, 28th February, 2017, 15th March, 2017 and 30th March, 2017 and the attendance record of the members at the meetings held during the year 2016-17 is as follows:-

Name of the Member	No. of meetings held	No. of meetings attended
Sh. Dinesh Oswal	24	23
Sh. Dinesh Gogna	24	20
Sh. S.K. Sharma	24	24
Sh. Brij Sharma	24	24

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, the Company has appointed M/s. Alankit Assignments Ltd, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, investors, members of Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer, Demat, Remat, Change of Address etc. to our Registrar, whose address and telephone no etc. has

already been mentioned in Director's Report.

VIII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board constituted the Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee formulated and recommended the Company's CSR Policy to the Board which was approved and adopted by the Board of Directors. The Company's CSR Policy is also available on Company's website i.e. www.owmnahar.com. As per Policy, Company is undertaking CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation which is a Registered Society formed in 2006. The Committee recommends the amount of expenditure to be incurred on the CSR activities through Oswal Foundation. The Committee also oversees and monitors the activities /programmes/projects undertaken by Oswal Foundation. The terms and reference of the Committee are:-

COMPOSITION

The CSR Committee comprises of three Directors under the chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Dr. S.K. Singla, an Independent Director and Mr. Dinesh Gogna, Non-Executive Director are other two members of the Committee. There has been no change in the composition of the Committee during the year.

MEETING AND ATTENDANCE

During the year under review, the Committee met twice i.e. on 11th August, 2016 and 31st March, 2017. The attendance record of members at the meeting held during the year 2016-17 is as follow:-

Name of the Members	No. of meetings held	No. of meetings attended
Sh. Dinesh Oswal	2	2
Dr. S.K. Singla	2	2
Sh. Dinesh Gogna	2	2

The CSR Report as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, for the year ended 31st March 2017 is attached as per Annexure I to the Board Report.

IX. RISK MANAGEMENT COMMITTEE:

As per the provisions of Regulation 21 of SEBI LODR Regulations, 2015, Top 100 listed entities determined on the basis of market capitalization as at the end of immediate previous financial year shall constitute a Risk Management Committee. We would like to inform you that the Company does not fall under the said category and accordingly, the Regulation 21 is not applicable to the Company. However, No business is free from Normal Business Risks i.e. Financial Risk, Exchange Risk, Cotton Prices Risk, Policy Risk, Global Risk etc. The Audit Committee takes care of the Company's risk policies and reviews the same in its meeting so that the Company could face the challenges and risk associated with the Business successfully and become a Global competitive Company.

X. GENERAL BODY MEETINGS

(i) The details of the last three Annual General Meetings are as under:-

Financial year	Location	Date	Time
2013-2014	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2014	10:00 A.M.
2014-2015	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2015	11:30 A.M.
2015-2016	Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	30.09.2016	11:30 A.M.

(ii) Whether any Special Resolutions passed in the previous three Annual General Meetings:

2012-2013

No Special resolution was passed

2013-14

1. To Borrow money in excess of Paid up Share Capital and Free Reserve
2. To create mortgage and/or charge on Company's property
3. To adopt new set of Articles of Association
4. To approve minimum remuneration to Mr. Dinesh Oswal
5 To approve related party transactions

2014-15

No Special resolution was passed

2015-16

To reappoint Mr. Dinesh Oswal, as Managing Director of the Company for a period of five years w.e.f 1st January 2017 to 31st December 2021.

(iii) Whether Special Resolution passed last year through postal ballot.

No Special resolution was passed during the financial year ended 31.03.2017 through postal ballot.

iv) Person who conducted the postal ballot exercise:

Not applicable as no special resolution was passed during the financial year ended

31.03.2017 through postal ballot.

v) **Whether any special resolution is proposed to be conducted through postal ballot.**
Presently, no Special Resolution is proposed to be conducted through postal ballot.

vi) **Procedure for postal ballot.**
Whenever any special resolution will be conducted through postal ballot, the procedure for postal ballot shall be as per the applicable provisions of Companies Act, 2013 read with SEBI LODR Regulations, 2015.

XI. MEANS OF COMMUNICATION

a. Quarterly Results:
The Company's quarterly results in the format prescribed by the SEBI LODR Regulations, 2015, are approved and taken on record by the Board within the prescribed period under the Regulations and sent immediately to all Stock Exchanges on which the Company's shares are listed.

b. Newspapers wherein results normally published:
The financial results of the Company are published in leading News Paper i.e. Business Standard/ Financial Express in English and Dainik Jagran in vernacular.

c. Any website, where displayed:
The Company's Quarterly, Half yearly and Annual Results are also displayed on the website of the Company i.e. www.owmnahar.com.
The Quarterly and Annual Financial Statement along with the Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report, Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern etc. can also be retrieved by the investors from the website of the Company, BSE Limited and National Stock Exchange of India Limited.

d. Whether it also displays official news releases
Whenever any official news is released, the same is also displayed on the Company's website i.e. www.owmnahar.com.

e. Presentations made to institutional investors or to the analysts:
Whenever any presentation about Company's working is made to the Financial Institutional Investors or to the Analyst, the same is displayed on the Company's Website i.e. www.owmnahar.com.

XII. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting:

Date	:	September 26, 2017
Day	:	Tuesday
Time	:	11:00 a.m.
Venue	:	Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

2. Financial Year : The Financial year of the Company covers 1st April 2016 to 31st March, 2017.

3. Dividend Payment Date : On or Before 7th Oct., 2017

4. Date of Book Closure : 2nd September to 9th September, 2017 (Both days inclusive)

5. Name and address of Stock Exchanges at which the securities of the Company are listed:
The National Stock Exchange of India Ltd (NSE) "Exchange Plaza 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East) Mumbai-400051.
The BSE Limited, 25th Floor, P.J. Towers, Dalal Street, Mumbai- 400001.
The listing fees payable to BSE and NSE for 2017-18 have been paid in full by the Company.

6. Stock Code :

For trading at NSE	:	NAHARSPING
For trading at BSE	:	500296

7. Demat ISIN number : INE290A01027
The annual custodian fees for the financial year 2017-18 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

XIII. Market Price Data-high low during each month in last financial year

The Company's equity shares are listed at BSE and NSE. Accordingly the month wise High and Low stock prices from April, 2016 to March, 2017 are as follows:

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2016	110.10	91.10	110.95	91.35
May, 2016	126.80	99.50	126.50	99.50
June, 2016	124.70	104.15	124.90	104.00
July, 2016	138.80	116.50	139.00	116.70
August, 2016	141.00	113.00	140.95	110.30
September, 2016	124.30	110.20	124.75	109.30
October, 2016	143.80	114.00	143.90	113.50
November, 2016	136.50	101.65	136.10	102.20
December, 2016	130.00	114.05	127.90	112.25
January, 2017	158.00	116.40	156.65	116.50
February, 2017	164.00	126.40	164.35	126.10
March, 2017	142.90	126.00	143.35	125.75

Source:- Data has been taken from the website of the Bombay Stock Exchange and National Stock Exchange.

The Company does not have any other sources for verification of data.

XIV. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX:

The Company's equity shares are listed at BSE and NSE. Accordingly, comparison between Nahar Spinning Mills Limited closing price variation and BSE Sensex in percentage from April, 2016 to March, 2017 is as under:

Financial Year	Share price of Nahar Spinning Mills Ltd.				BSE Sensex			
Year 2016-2017	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing	Highest (Rs)	Lowest (Rs)	Closing (Rs)	%age Change over last Month's Closing
April	110.10	91.10	104.55	14.39	26100.54	24523.20	25606.62	1.04
May, 2016	126.80	99.50	106.75	2.10	26837.20	25057.93	26667.96	4.14
June, 2016	124.70	104.15	119.00	11.48	27105.41	25911.33	26999.72	1.24
July, 2016	138.80	116.50	131.40	10.42	28240.20	27034.14	28051.86	3.90
August, 2016	141.00	113.00	116.80	-11.11	28532.25	27627.97	28452.17	1.43
September, 2016	124.30	110.20	113.70	-2.65	29077.28	27716.78	27865.96	-2.06
October, 2016	143.80	114.00	133.45	17.37	28477.65	27488.30	27930.21	0.23
November, 2016	136.50	101.65	120.75	-9.52	28029.80	25717.93	26652.81	-4.57
December, 2016	130.00	114.05	118.80	-1.61	26803.76	25753.74	26626.46	-0.10
January, 2017	158.00	116.40	141.80	19.36	27980.39	26447.06	27655.96	3.87
February, 2017	164.00	126.40	132.70	-6.42	29065.31	27590.10	28743.32	3.93
March, 2017	142.90	126.00	135.30	1.96	29824.62	28716.21	29620.50	3.05

Source:- Data has been taken from the Website of the Bombay Stock Exchange Limited. The Company does not have any other sources for verification of data.

XV. IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, REASON THEREOF

The Company's securities have not been suspended from trading during the year under review.

XVI. REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, the Company has appointed M/s Alankit Assignments Ltd. New Delhi, as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the Shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone nos. etc. have already been mentioned in the Directors' Report.

In case any query/complaint remains unresolved with our Registrar, please write to the Company Secretary at the Registered Office of the Company.

Members may kindly note that the Registrar & Transfer Agent and/or the Company will not entertain request for noting of change of address/bank details/ECS mandate in case of accounts with demat holding. For this purpose, shareholders should approach their Depository Participant.

XVII. SHARE TRANSFER SYSTEM

The Company has constituted a Share Transfer Committee consisting of four members, namely Mr. Dinesh Oswal, Managing Director, Mr. Dinesh Gogna, Sh. S.K. Sharma, Directors and Mr. Brij Sharma, Company Secretary of the Company. Normally Share Transfer Committee meets twice in a month to approve the transfer / transmission / transposition, issue of duplicate share certificates & dematerialization of shares and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013 / SEBI LODR Regulations, 2015.

As required under Regulation 40(9) of the SEBI LODR Regulations, 2015, a certificate is obtained every six months from a Practicing Company Secretary within one month from the end of each half of financial year certifying that all certificates has been issued within 15 days of their lodgment for transfer, transmission, transposition, sub-division, consolidation, renewal and exchange or endorsement. The certificate is forwarded to BSE and NSE where the Equity Shares of the Company are listed.

XVIII. DISTRIBUTION OF SHAREHOLDING

As on March 31, 2017 your Company had 37,222 shareholders having a total of 3,60,65,303 equity shares. The following is the distribution of Shareholding.

No. of Shares held	No. of Share Holders	%of Share Holders	Aggregate No. of Shares Held	% of Share Holding
1-500	34,229	91.96	42,35,865	11.75
501-1000	1,575	4.23	11,97,341	3.32
1001-2000	694	1.86	10,30,280	2.86
2001-3000	241	0.65	6,16,172	1.71
3001-4000	117	0.31	4,24,430	1.18
4001-5000	81	0.22	3,76,408	1.04
5001-10000	155	0.42	11,26,354	3.12
10001 and above	130	0.35	2,70,58,453	75.02
Total	**37,222**	**100.00**	**3,60,65,303**	**100.00**

XIX. THE SHAREHOLDING PATTERN AS ON MARCH 31, 2017 AS FOLLOWS:

Shares held by	No. of Shares	% of shareholding
Banks and Mutual Funds	44867	0.12
Foreign holdings (FIIs, NRIs, OCBs)	87116	0.24
Trust	480	0.00
Bodies Corporate	1468333	4.07
Directors/Relatives of Directors	22	0.00
General Public	11085060	30.74
Promoter	23379425	64.83
Total	**36065303**	**100.00**

XX. DEMATERIALISATION OF SHARES AND LIQUIDITY.

The Securities and Exchange Board of India (SEBI) has included Company's scrip in compulsory demat settlement for all type of investors. Thus, the dealing in Company's equity shares can be in demat form only. To facilitate holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories. As on 31st March, 2017, 3,44,31,902 equity shares comprising 95.47% of the total Equity Capital of the Company has been dematerialized. Shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited.

XXI. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any Convertible Instruments, which is likely to have any impact on the equity of the Company.

XXII. Commodity price risk or foreign exchange risk and hedging activities

The Company is in the Manufacturing of 'Textiles' and has not dealt in any commodity market and thus there is no commodity price risk. Since the Company is in the export of Textiles/Garments Business, to cover itself from exchange rate fluctuations it goes in for partial hedging by normal booking in the normal course of the business. The Company is not involved in any speculative activities.

XXIII. PLANT LOCATIONS :

373, Industrial Area-A, Ludhiana
427, Industrial Area-A, Ludhiana
Dhandari Kalan, G.T. Road, Ludhiana
Village Simrai, Mandideep, Distt. Raisen (M.P.)
Village Lalru and Lehli, Distt. S.A.S. Nagar (Pb.)
Village Jalalpur, Distt. S.A.S. Nagar (PB.)
Village Jodhan, Distt. Ludhiana
Village Jitwal Kalan, Tehsil Malerkotla, Distt. Sangrur

XXIV. Address for Correspondence : NAHAR TOWER
373, Industrial Area-A,
Ludhiana - 141 003 (Pb.)
Phone No. : 0161-2665000
Fax No. : 0161-2661180, 2222942
E-mail address : secnsm@owmnahar.com
Website : www.owmnahar.com

XXV. OTHER DISCLOSURES

1. Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of the Company at large:

During the year, there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR Regulations, 2015. However, the normal sale and purchase transactions which take place in the ordinary course of Business with the Group Companies are disclosed in the Notes to the Financial Statements as per applicable provisions.

2. Details of Non-compliance by the Company, penalties, strictures imposed by Stock Exchanges or the Board or any Statutory Authority on any matter related to capital markets during the last three years:

The Company continues to comply with the laws / Regulations of Stock Exchanges, SEBI or any other Statutory Authorities on all matters related to capital markets during last three years. No penalty or strictures have been imposed on the company by the said authorities relating to the above.

3. Details of establishment of Vigil Mechanism/ Whistle Blower Policy:

The Board, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2013, has established a Whistle Blower Policy/Vigil Mechanism for its Directors and employees to Report genuine concerns or grievances about the unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or Policy. The Policy also enables the adequate safeguards against victimisation of persons who use such mechanism. The Audit Committee regularly reviews the working of the Mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No personnel

have been denied access to the Audit Committee. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website and can be accessed at http://owmnahar.com/spinning /pdf/vigil_mechanism.pdf.

4. **Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**
The company has complied with all the mandatory requirements of Corporate Governance as prescribed under SEBI LODR Regulations, 2015. Besides, the Company has also complied with some of the non mandatory requirements in respect of Corporate Governance as specified Part E of Schedule II of SEBI LODR Regulations, 2015 as detailed below:
   i. **Un-modified opinion(s) in audit report:** The Company is already in a regime of financial statements with un-modified audit opinion.
   ii. **Separate posts of Chairman and CEO:** Mr. Jawahar Lal Oswal is the Chairman of the Company and Mr. Dinesh Oswal is Managing Director of the Company. Thus the post of Chairman and Managing Director are held by different persons.
   iii. **Reporting of internal auditor :** The internal auditor may report directly to the Audit Committee.

   The Company is yet to comply with other non mandatory requirements of the Corporate Governance as specified in Part E of Schedule II of the SEBI LODR Regulations, 2015.

5. **Web link where policy for determining 'material' subsidiaries is disclosed:**
The requirement of policy for determining 'material' subsidiaries is not applicable to the Company as it does not have any subsidiary.

6. **Web link where policy on dealing with related party transactions is disclosed:**
The Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, which can be accessed at http://www.owmnahar.com/spinning/pdf/RPT-NAHAR-SPINNING.pdf

7. **Disclosure of commodity price risks and commodity hedging activities:**
The Company is engaged in the textiles Business and the Primary raw material for the manufacturing of the Yarns is cotton with the share of around 60% of total cost. The cotton being a seasonal agriculture produce, its supply, quality and price are subject to the forces of nature i.e. Monsoon. The Company purchases the raw cotton as per the Company's procurement Policy so that it is able to run its plant for the whole year. During the year, the Company has not dealt in any commodity market, thus there is no commodity price risk. Further, the Company is not involved in Speculative activities.

8. **Prevention of Insider Trading:**
Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of Conduct to regulate monitor and Report trading by insiders. The Code helps to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary being the Compliance Officer is responsible for implementation of the Code.

9. **Reconciliation of Share Capital Audit**
The Securities and Exchange Board of India has directed vide Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid up capital. The said certificate duly certified by a Practicing Company Secretary is submitted to the Stock Exchanges within 30 days of the end of each quarter.

10. **CEO and CFO Certification**
As required under Regulation 17(8) of SEBI LODR Regulations, 2015, a Certificate duly signed by the Managing Director and Chief Financial Officer was placed at the meeting of Board of Directors held on 30.05.2017.

1 **NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT WITH REASONS THEREOF:**
The Company has complied with all the requirements of Corporate Governance Report from sub-paras (2) to (10) of Part C of Schedule V of SEBI LODR Regulations, 2015.

2 **DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION**

46(2)(i)(b) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with all the Corporate Governance requirements as specified in Regulation 17 to 27 (except Regulation 21 and 24, which are not applicable to the Company) and Regulation 46 (2)(i)(b) of SEBI LODR Regulations, 2015.

3 CODE OF CONDUCT

The Company is committed to conduct its business in accordance with applicable laws, Rules and regulations and highest standard of transparency. Accordingly, the Company has laid down a Code of conduct for all its Board members and Senior Managerial Personnel so that conflict of interest could be avoided. The Code of Conduct suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company's website i.e. www.owmnahar.com. The Board members and senior management personnel affirm the compliance of this Code annually. A declaration by the Managing Director/CEO in terms of SEBI LODR Regulations, 2015 to the effect that members of the Board and senior management personnel have affirmed compliance with this Code of Conduct is attached with this Report.

4 DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil

b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil

c. Number of shareholders to whom shares were transferred from suspense account during the year: Nil

d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil

e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable

All the shares of the Company has already been allotted to the eligible allottees, hence there is no demat suspense account/unclaimed suspense account.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 12th August, 2017

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Schedule V of SEBI LODR Regulations, 2015, I hereby confirm that all Board Members and Senior Management Personnel of the Company (as defined in the above said Regulations) have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel' for the year ended 31st March, 2017.

Place: Ludhiana
Dated: 12th August, 2017

Dinesh Oswal
Managing Director
DIN: 00607290

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Nahar Spinning Mills Limited

We have examined the compliance of conditions of corporate governance by NAHAR SPINNING MILLS LIMITED for the year ended 31st March, 2017 as stipulated Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we hereby certify that the Company has duly complied with the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gupta Vigg & Co.,
Chartered Accountants
Firm Reg. No. 001393N

VINOD KUMAR KHANNA
(Partner)
M.No. 81585

Place: Ludhiana
Dated: 12th August, 2017

ANNEXURE - VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Scenario

The global economy witnessed a decelerating trend in 2016 growing by 3.1 % compared to 3.4% in 2015 (as per IMF estimates). The anticipated pick-up in global growth did not fructify mainly due to slower growth in the Advanced Economies of Europe, U.S.A. & other economies of the World. However, the economic recovery became visible in the latter half of the year and it is anticipated that the global economy will perform better and grow by 3.5% in 2017 and improve further to 3.6% in 2018, on the back of growth momentum in Advanced as well as Emerging Economies.

The year 2016-17 has been a challenging year for Indian Economy. The economy grew 7.1% in the year 2016-17 and it is expected that with the several Economic Reforms initiated by the Central Government will give a further boost to the Economy. We expect that economic reforms will have a positive impact on the Economy as a whole.

To give further impetus to the economy, Central Government decided to implement the biggest Economic/ Tax reform in the form of Goods and Services Tax (G.S.T) w.e.f. 1st July, 2017. Initially there were some problems in the implementation of the scheme especially in Small & Medium Enterprises but once the initial hiccups related to G.S.T. implementations are resolved, there will be definite shifting of business, in the domestic markets, from the Unorganized to Organized sector. Further, the private Investment which was on hold earlier would start reaping in the big Industry. Your Management is quite optimistic that in long term, G.S.T will prove to be a Bold Economic Reform taken by the Government in the best interest of the economy. G.S.T will bring a fundamental shift and will benefit India's diverse Textile Industry.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Spinning Industry is highly fragmented with around 1,779 spinning mills, 200 composite mills and 1,325 small scale spinning units. Spun yarn capacities are concentrated in Tamil Nadu, Maharashtra, Gujarat, Andhra Pradesh and Punjab. These States account for close to 75% of the total spinning capacity in India. The largest capacities are in Tamil Nadu, accounting for about 45% of the total capacities in India (source: CRISIL Credit Rating Report November 2016). The Textile Industry holds a dominant position in country's economic structure because of its huge contribution towards employment generation, industrial output and export earnings. The Industry meets out the basic need of people at large i.e. Kapda. The importance of the industry is evident from the fact that it provides employment to 45 million people, contributes about 5% to India's GDP, 14% to Index of Industrial Production (IIP) and contributes 17% to the country's total exports basket. As per current estimation size of Indian Textile Industry is around $110 billion but the Government of India through its National Textile Policy and National Textile vision document has set the target for Indian Textile and Apparel industry to $350 billion by 2025 (domestic $200 billion and Export $150 billion). With this ambitious target the industry can change the job scenario and manufacturing landscape.

The Government is fully conscious of its role in achieving this ambitious target and therefore has taken several Initiatives for the development of Industry so that India could become a Global Textile Hub. The Government through its several schemes such as the Amended Technology Upgradation Fund Scheme, Focus Market/ Product Scheme, Integrated Textile Parks/ Clusters is giving benefits to the Textile Industry so that it can fulfill the Prime Minister vision of MAKE IN INDIA programme. The roll out of Goods and Services Tax w.e.f. 1st July, 2017 is another significant economic reform which will help in simplifying the tax structure for textile industry and also align it with the practice in Developed countries. The positive impact of the GST will be the easier and faster inter-state movement of goods which in turn will benefit the India's diverse textile industry in the long term. The Government has also enhanced the allocation for the Tuff scheme so that the industry continues to invest in building spinning capacities, cutting edge technology, designing etc. to remain globally competitive and also moves up in the textile value chain.

In line with the global trends and to remain competitive, your company continues to modernize, upgrade and expand its capacities so that it remain globally competitive in terms of cost and quality.

OPPORTUNITIES AND THREATS

The year gone by has been a challenging year for the Textile Industry with lots of ups and down. Despite the Challenges, the exports which have been core feature of the India's Textile Industry, has shown a steady performance, next only to China. Of late China, India's biggest competitor in Textile space, has been losing its export advantage because of appreciating currency coupled with higher labour and compliance cost. India riding on the cost advantage can utilize this opportunity and increase its share in the global exports. Now it is the responsibility of the stakeholders to pivot the scale, efficiency and sophistication of the textile system so that the space vacated by China could be filled up by the Indian Textile Industry.

The recoveries in US, European and Asian economies augurs well for the Industry and will boost the exports to these economies in the coming periods. The developed

countries including US, UK, Germany and Japan all have accepted the reality that commercially it is not viable for them to have a thriving textile industry, because of high cost of labour and skilled manpower. Hence imports are the only solution to meet their requirements, especially of garments. These countries are looking at India as suitable and reliable choice for their requirements of Garment. This is a huge opportunity and it must be grabbed by the Textile Industry so that it can increase its share in the Global trade.

Besides, India's consumption growth story, driven by favourable demographic trends and rising income level, is still intact and will further improve the fortunes of the industry. Moreover the Indian economy is also emerging as a growth engine of the world and seeing huge opportunity of the retail sector in domestic markets several international players like Mark & Spencer, GAP, IZOD etc. have also established their presence in the Indian markets which will also create huge opportunity for the Textile Industry in the domestic markets.

The relative success of the Spinning Industry is dependent on the availability of Raw Cotton at reasonable prices. As per the Government estimates, current season will have bumper crop of cotton which will definitely ease cotton prices which in turn will help the spinning Industry in improving its financial performance in the coming period. We would also like to inform you that because of short supply of quality cotton in Punjab, Spinning Mills have to purchase raw cotton from the other states like Haryana, Maharashtra, Rajasthan and M.P. etc. for which Companies have to pay tax at the rate of 2 percent. With the implementation of G.S.T. the said tax will stand abolished and thus, Companies will be saving substantially in its procurement cost of raw cotton.

Though the future of the Textile Industry appears to be bright but it is not free from normal business risks and threats. The Indian Textile exports continues to face stiff challenges from the small countries like Bangladesh, Sri Lanka, Taiwan and Pakistan etc., who have got the preferred treatment from the countries of European Union and U.S. Moreover the two key factors i.e. raw cotton prices and currency fluctuations are impacting the financial performance of the textile Industry. Raw cotton being an agriculture product is the key raw material for the manufacture of cotton yarn, is dependent on the Monsoon. So availability of raw cotton at reasonable prices is crucial for the spinning Industry. Any significant change in raw cotton prices can affect the performance of the Industry. The cotton prices have unusually continued to stay high and are affecting the spinning industry adversely. Likewise continuos strengthening of the Indian Rupee Vis- a- Vis US Dollar is also impacting the exports as well as profitability of the industry. Both these factors have had and will continue to have a significant bearing on the financial performance of the Company in the coming period too.

From the above it is evident that the opportunities are more than the challenges. The Government must support the industry by working out suitable strategies/ policies so that Textile Industry is able to enhance its competitive advantage to achieve sustained growth in Exports as well as Domestic Markets. The Industry on their part should also continuously modernize and upgrade its Technology to maintain its core competence and convert it into the competitive edge over others.

FUTURE OUTLOOK

We would like to inform you that last year has been a challenging year for the textile industry. The slackness in the global demand from US, European Union and other countries adversely affected the Industry.

In spite of the above, we are of the firm opinion that the future of the Textile Industry appears to be quite promising. The Ministry of Textile through its Vision, Strategy and Action Plan has set the target of US$ 350 bn. for the textile industry. The Industry has to put in its efforts by increasing its Spinning, Weaving, Knitting, Processing and Garmenting capacity to achieve this ambitious target. The Government through its Policies and financial assistance should ensure the financial viability of the spinning sector as it is more capital intensive and backbone of the entire textile sector.

We are also quite optimistic that with the expected pick up in the economies of U.S.A and European Union, exports to these economies will show improvement in the coming periods. The Indian Economy is also expected to grow 7.5% in year 2017-18, which will give a further boost to the Textile Industry. Besides, the growth drivers of the yesteryears, such as rapid urbanization, growing population, rising income and purchasing power of middle class and young population are still present in the economy and will lead to further growth of the Industry. The shifting of orders from China to India, due to various favourable factors will also help the Industry to increase its global share. The continued policy reform by the Government of India coupled with improvement in Global Demand will further accelerate the growth of Textile Industry.

Your management is quite optimistic that the industry will be able to meet the challenges ahead and will emerge as a winner. We also expect that the Government will continue to support the industry in the form of favourable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry.

RISK AND CONCERNS

No industry is free from normal business risk and concerns. Indian Textile Industry continues to face stiff competition from China, Bangladesh, Taiwan Sri Lanka and other emerging economies. The relative competitiveness of Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates regime. The primary raw material for the

manufacturing of yarn is cotton with share of around 60% of total cost. Cotton being an agriculture produce, its supply and quality are subject to forces of nature i.e. Monsoon. Any increase in the prices of raw cotton will make the things difficult for the Textile Industry resulting weak demand and thin margins. Thus availability of raw cotton at the reasonable prices is crucial for the spinning industry. Any significant change in the raw cotton prices can affect the performance of the Industry.

The high rate of interest is affecting the financial performance of the textile industry. The Spinning industry being more capital intensive requires huge funds, long term as well as short term in the form of working capital for its running. The Government must support the industry by providing cheap finance so that the industry remains financially viable. Though RBI has taken some remedial measures in this regard but still a lot more is required so that the Textile Industry could meet the challenges ahead.

In addition to the above, the other concerns like increased power costs, uninterrupted power supply, higher transaction costs, high cost of labour, continuously increasing prices of raw material are posing a risk to the growth of Indian Textile Industry. The Government should also extend a helping hand to the existing Textile Units so that they can become globally competitive and contribute towards the growth of the country.

Internal Control Systems and their adequacy

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitating accurate compilation of financial statements. The company's Internal Control system is designed to ensure operational efficiency, protection and conservation of resourses, accuracy and promptness in financial reporting and compliance with procedures, laws and regulations. The Company's Internal Control system commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal Control system and to automate the various processes of the business, company is making use of Enterprises Resource Planning (ERP).

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed an Internal Auditor who is a qualified Chartered Accountant. The Company is also having an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems.

Apart from this, an Audit Committee consisting of three non executive directors has been constituted. All the significant audit observation and follow up action thereon are taken care of by the Audit Committee. The Audit Committee met four times during the financial year under review. The Company has also established a Vigil Mechanism as per section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

The Indian accounting standard (Ind AS) became applicable on the Company w.e.f. 1st April, 2016(transition date being 1st April, 2015). Accordingly the financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended by companies Indian Accounting Standard Rule, 2016. The Company also appointed M/s Grant Thronton India LLP Gurugram (Haryana), a leading consultancy firm in the Accounting/Financial matters, to advice the Company on convergence of IndAS. The report submitted by them has been fully implemented for preparing the financial statement for the year ended 31st March, 2017.

Financial Operation and Performance

The Company is operating in single segment only i.e. Textile. The Company has been able to sustain its operational performance despite the inherent volatility associated with Textile sector. The company achieved an operating income of Rs. 2149.61 crores out of which Rs. 1393.20 crores is export turnover. The Company earned a profit before tax and depreciation of Rs. 145.40 crores. After providing for depreciation, income tax (including adjustment of tax of earlier year) and deferred tax, the Company earned a net profit of Rs. 20.21 crores. The detailed performance has already been discussed in the Director's Report under the column 'Operational Review and State of Affair's'.

Human Resources/Industrial Relations

Beyond Balance Sheet lies Company's singly biggest Asset Human Resources. The Company is of firm belief that the Human Resources are the driving force that propels a Company towards progress and success. The Company continued its policy of attracting and recruiting the best available talent so that it can face business challenges ahead. The Company also offers attractive compensation packages to retain and motivate the professionals so that they can give their best. The total permanent employee's strength of the Company was 13247 as on 31st March, 2017. The industrial relation continued to remain cordial during the year.

Cautionary Statement

Though the statement and views expressed in the above said report are on the basis of best judgment but the actual future results might differ from whatever is stated in the report.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 12th August, 2017

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

INDEPENDENT AUDITORS' REPORT

The Members of
M/s Nahar Spinning Mills Limited,
L U D H I A N A.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS Financial Statements of Nahar Spinning Mills Ltd ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the aforesaid standalone Ind AS

financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder;

e. on the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(I) the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

(II) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(III) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(IV) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 9th November, 2016 to 30th December, 2016. However we are unable to comment as the company has not maintained separate records of SBN and other denomination.

For GUPTA VIGG & CO.
Chartered Accountants
Firm Regn.No.001393N

Place: LUDHIANA.
Dated: 30.05.2017

VINOD KUMAR KHANNA
PARTNER
M.NO. 081585

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone Ind AS Financial Statements for the year ended 31st March 2017, we report that:

I) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the one property the details of which are as under:

No. of Cases	Gross Block as on 31.03.2017	Net Block as on 31.03.2017	Remarks
1(One)	252.98 Lacs	247.44 Lacs	The agreement is in the name of the company only, registration of sale deed is pending.

ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on the physical verification.

(iii) The Company has not granted any loans to any bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) According to information and explanation given to us, The Company has not accepted any deposits from the public during the year covered under the provisions of section 73 or 76 or any other relevant provisions of the Companies Act, 2013.

(vi) We have broadly reviewed the cost records maintained by the company pursuant to the sub section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that prima facie, the prescribed records have been maintained. We have, however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of

account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of Statute	Nature of Dues	Amount (Unpaid)	Period to which which it Relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	11.49	2004-2005	High Court of Jabalpur
The Central Excise Act,1944	Excise Duty	4.70	1994-1995	High Court of Jabalpur
The Customs Act, 1962	Drawback	0.93	2006-2007	High Court of Jabalpur
The Central Excise Act, 1944	Excise Duty	17.46	2001-2002	High Court of Jabalpur
MP Commercial & Vat Act	Entry Tax	2.94	2012-2013	Appelate Tribunal
The Finance Act, 1994	Service Tax	4.26	2012-2014	CESTAT
The Finance Act, 1994	Service Tax	1.69	2012-2014	Commissioner Appeal
The Income Tax Act, 1961	Income Tax	316.53	2011-2012	CIT (A), Ludhiana

viii) The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For GUPTA VIGG & CO.
Chartered Accountants
Firm Regn.No.001393N

Place: LUDHIANA.
Dated: 30.05.2017

VINOD KUMAR KHANNA
PARTNER
M.NO.081585

ANNEXURE-B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Nahar Spinning Mills Ltd**("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards onAuditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GUPTA VIGG & CO.
Chartered Accountants
Firm Regn.No.001393N

Place: LUDHIANA.
Dated: 30.05.2017

VINOD KUMAR KHANNA
PARTNER
M.NO.081585

CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2016 TO 31ST MARCH, 2017

(Rs. in Lacs)

PARTICULARS	Current Year		Previous Year	
Cash Flow from Operating Activities				
Net Profit Before Tax and Extra ordinery activities		**6770.36**		7912.77
Adjustments for :				
Depreciation	**9582.68**		10107.10	
Finance Cost	**4103.01**		5766.71	
Interest received	**(292.61)**		(307.65)	
Dividend Income	**(39.53)**		(30.78)	
Net Gain on Sale of Investments	**(61.63)**		(19.73)	
Profit/ Loss on sale of Fixed Assets/ subsidies adjustments	**(135.68)**	**13156.24**	(298.15)	15217.50
Operating Profit before Working Capital Changes		**19926.60**		23130.27
Adjustment for:				
Trade Receivables	**5925.16**		2209.99	
Inventories	**14640.07**		(6620.94)	
Increase (Decrease) in other financial assets	**37.14**		(13.18)	
Increase(Decrease) in Long Term Loans & Advances	**(265.12)**		311.92	
Increase(Decrease) in Other non current assets	**(1766.15)**		1670.18	
Increase(Decrease) in Govt grant receivables	**940.41**		(366.60)	
Increase(Decrease) in other current assets	**(729.93)**		1687.13	
Increase(Decrease) in provisions	**30.29**		(75.61)	
Increase (Decrease) in Other current liabilities	**687.28**		(735.45)	
Increase (Decrease) in Other non current liabilities	**4.71**		(9.04)	
Increase(Decrease) in other financial Liabilities	**(13.37)**		(27.63)	
Increase(Decrease) in other financial Liabilities (long Term)	**(50.00)**		(32.28)	
Trade Payables	**1299.64**	**20740.13**	388.85	(1612.66)
Cash Generated from Operations		**40666.73**		21517.61
Interest paid	**(1725.04)**		(2340.12)	
Direct Taxes Paid	**(2459.00)**	**(4184.04)**	(2925.34)	(5265.46)
Net cash flow from operating Activities		**36482.69**		16252.15
Cash Flow from investing activities				
Purchase of Fixed Assets	**(4454.36)**		(5722.64)	
Capital Work in Progress	**(216.32)**		(34.75)	
Sale of Fixed Assets	**272.20**		382.14	
Sale of Investments	**4507.23**		1694.74	
Interest Received	**292.61**		307.65	
Dividend Income	**39.53**		30.78	
Increase in Investment	**(4800.00)**	**(4359.11)**	(2496.39)	(5838.47)
Net cash used in investing activities		**32123.58**		10413.68
Cash Flow from Financing Activities				
Proceeds from Long Term Borrowings			2599.98	
Repayment of Long Term Borrowings	**(8975.23)**		(10818.64)	
Interest Paid	**(2377.97)**		(3426.59)	
Dividend Paid	**(540.98)**		(360.65)	
Corporate Dividend Tax Paid	**(110.13)**		(73.42)	
Net Cash Used in Financing Activities		**(12004.31)**		(12079.32)
Net Increase in Cash & Cash Equivalents		**20119.27**		(1665.65)
Opening Cash and Cash Equivalents and other bank balances and working capital limits		**(63017.84)**		(61352.18)
Closing Cash and Cash Equivalent and other bank balances and working capital limits		**(42898.57)**		(63017.84)

For & On behalf of the Board

Place : Ludhiana
Date : 30.05.2017

BRIJ SHARMA	**ANIL GARG**	**S.K.SHARMA**	**DINESH OSWAL**
Company Secretary	Chief Financial Officer	Director	Managing Director

AUDITOR'S CERTIFICATE

We have checked the above Cash Flow Statement of NAHAR SPINNING MILLS LIMITED, derived from the audited financial statement for the year ended 31st March, 2017 with the books and records maintained in the ordinary course of business and found the same in accordance therewith.

Place : Ludhiana
Date : 30.05.2017

For GUPTA VIGG & COMPANY
Chartered Accountants
Firm Reg.No.001393N

VINOD KUMAR KHANNA
Partner
(M.No.081585)

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. In Lacs)

PARTICULARS	NOTE NO.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets				
Non-current assets				
a) Property, plant and equipment	1.1	**76,070.80**	81,289.68	85,707.72
b) Capital work-in-progress		**329.08**	112.76	78.01
c) Other intangible assets	1.2	**1.93**	-	-
d) Investment properties	1.3	**910.00**	957.89	1,008.31
e) Financial assets				
i) Investments	2.1	**2,477.37**	1,512.00	593.88
ii) Loans	2.2	**2,395.81**	2,130.69	2,442.61
iii) Other financial assets	2.3	**-**	-	0.30
f) Other non-current assets	3	**3,486.24**	1,720.09	3,390.27
		85,671.23	87,723.11	93,221.10
Current assets				
a) Inventories	4	**48,902.86**	63,542.93	56,921.99
b) Financial assets				
i) Investments	5.1	**280.13**	247.94	233.78
ii) Trade receivables	5.2	**30,360.44**	36,285.60	38,495.59
iii) Cash and Cash equivalents	5.3	**2,611.93**	1,034.85	685.44
iv) Bank balances other than (iii) above	5.4	**82.11**	248.29	252.56
v) Other financial assets	5.5	**50.60**	87.74	74.26
c) Government grant receivable	6	**1,531.24**	2,471.65	2,105.05
d) Current tax assets (net)	7	**-**	19.89	217.65
e) Other current assets	8	**6,074.07**	5,344.14	7,031.27
		89,893.38	109,283.03	106,017.59
Total Assets		**175,564.61**	197,006.14	199,238.69
EQUITY AND LIABILITIES				
a) Equity Share capital	9	**1,805.31**	1,805.31	1,805.31
b) Other equity	10	**83,821.50**	79,272.80	74,598.95
LIABILITIES		**85,626.81**	81,078.11	76,404.26
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	11.1	**16,935.37**	27,303.38	34,618.36
ii) Other financial liabilities	11.2	**-**	50.00	82.28
b) Deferred tax liabilities (net)	12	**3,842.97**	4,179.87	4,328.63
c) Other non-current liabilities	13	**4.71**	-	9.04
		20,783.05	31,533.25	39,038.31
Current liabilities				
a) Financial liabilities				
i) Borrowings	14.1	**45,592.61**	64,300.98	62,290.18
ii) Trade and other payables	14.2	**4,817.37**	3,517.73	3,128.88
iii) Other financial liabilities	14.3	**11,374.24**	9,994.82	10,926.14
b) Other current liabilities	15	**6,937.13**	6,249.86	6,985.31
c) Provisions	16	**380.25**	331.39	465.61
d) Current tax Liabilities (Net)	7	**53.15**	-	-
		69,154.75	84,394.78	83,796.12
Total Equity and liabilities		**175,564.61**	197,006.14	199,238.69

As per our report of even date annexed
For **GUPTA VIGG & COMPANY**
Chartered Accountants
Firm Reg.No.001393N

For & On behalf of the Board

VINOD KUMAR KHANNA	**BRIJ SHARMA**	**ANIL GARG**	**S.K.SHARMA**	**DINESH OSWAL**
Partner	Company Secretary	Chief Financial Officer	Director	Managing Director
(M.No.081585)				

Place: Ludhiana
Date : 30.05.2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. In Lacs)

PARTICULARS		NOTE NO.	**Current Year**	Previous Year
I	Revenue from operations	17.1	**212,926.74**	202,510.28
II	Other operating revenue	17.2	**288.76**	408.23
III	Other Income	18	**2,199.76**	1,803.34
	Total income(I+II+III)		**215,415.26**	204,721.85
IV	Cost of materials consumed	19	**128,768.09**	112,400.10
	Purchases of stock-in-trade	20	**431.59**	560.24
	Change in inventories of finished goods, work -in-progress and stock in trade	21	**(1,481.85)**	428.52
	Excise Duty Expense		**3.84**	10.08
	Employee benefit expense	22	**19,684.97**	19,673.90
	Finance costs	23	**4,103.01**	5,766.71
	Depreciation and amortization expense	1	**9,582.68**	10,107.10
	Other expenses	24	**47,552.57**	47,742.03
	Total Expenses		**208,644.90**	196,688.68
V	Profit/(loss) before exceptional items and tax		**6,770.36**	8,033.17
VI	Exceptional items			
	CSR expenses u/s 135 of Companies Act,2013		**-**	120.40
VII	Profit/(loss) before tax		**6,770.36**	7,912.77
VIII	Tax expense:	25		
	(1) Current tax		**2,510.00**	2,975.00
	(2) Deferred tax		**(336.89)**	(148.76)
IX	Profit/(loss) for the period from continuing operations		**4,597.25**	5,086.53
	Other comprehensive income		**624.60**	169.50
	Items that will not be reclassified to profit or loss			
	Changes in fair value of FVOCI equity instruments		**643.17**	110.89
	Remeasurement of post-employment benefit obligations		**(18.57)**	58.61
	Income tax relating to these items		**-**	-
	Other comprehensive income for the year, net of tax		**624.60**	169.50
X	Profit/(loss) for the period		**5,221.85**	5,256.03
	Earnings per equity share for profit attributable to owners (Refer note 38)			
	Basic earnings per share		**12.69**	13.69
	Diluted earnings per share		**12.69**	13.69

As per our report of even date annexed
For **GUPTA VIGG & COMPANY**
Chartered Accountants
Firm Reg.No.001393N

For & On behalf of the Board

VINOD KUMAR KHANNA	**BRIJ SHARMA**	**ANIL GARG**	**S.K.SHARMA**	**DINESH OSWAL**
Partner (M.No.081585)	Company Secretary	Chief Financial Officer	Director	Managing Director

Place: Ludhiana
Date : 30.05.2017

NON-CURRENT ASSETS

(Rs. in Lacs)

PROPERTY, PLANT AND EQUIPMENT

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	NET BLOCK
	31st March 2016	Additions	Disposals/ Adjustments	31st March 2017	31st March 2016	Additions	Disposals/ Adjustments	**31st March 2017**	**31st March 2017**	31st March 2016
1.1 **Property, Plant and Equipment**										
Free hold Land	15,245.74	71.23	45.72	**15,271.25**	-	-	-	**-**	**15,271.25**	15,245.74
Building	27,411.41	314.99	40.02	**27,686.38**	1,273.75	1,218.78	16.30	**2,476.23**	**25,210.15**	26,137.66
Plant & Machinery	46,957.38	3,756.80	57.83	**50,656.35**	8,447.59	8,007.17	1.57	**16,453.19**	**34,203.16**	38,509.79
Vehicles	509.25	189.28	22.19	**676.34**	135.03	143.53	11.81	**266.75**	**409.59**	374.22
Other Equipments	617.91	65.49	0.07	**683.33**	117.62	93.05	-	**210.67**	**472.66**	500.29
Furniture & Fixture	599.10	54.57	0.48	**653.19**	77.12	72.20	0.12	**149.20**	**503.99**	521.98
Total (A)	91,340.79	4,452.36	166.31	**95,626.84**	10,051.11	9,534.73	29.80	**19,556.04**	**76,070.80**	81,289.68
1.2 **Intangible Assets :**										
Software	-	1.99	-	**1.99**	-	0.06	-	**0.06**	**1.93**	-
Total (B)	-	1.99	-	**1.99**	-	0.06	-	**0.06**	**1.93**	-
Total (A+B)	91,340.79	4,454.35	166.31	**95,628.83**	10,051.11	9,534.79	29.80	**19,556.10**	**76,072.73**	81,289.68
1.3 **Investment Properties :**										
Buildings and related equipments	1,008.31	-	-	**1,008.31**	50.42	47.89	-	**98.31**	**910.00**	957.89
Total (A)	1,008.31	-	-	**1,008.31**	50.42	47.89	-	**98.31**	**910.00**	957.89

	31st March, 2017	31st March, 2016	1st April, 2015
Fair value of investment properties	**2347.60**	2603.55	2529.37
Rental Income received/receivable from investment properties	**73.37**	79.14	
Direct Expenses (including repair and maintenance) for generating rental income	**18.55**	33.90	

(Rs. in Lacs)

PROPERTY, PLANT AND EQUIPMENT

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	NET BLOCK
	1 April 2015	Additions	Disposals/ Adjustments	31st March 2016	1 April 2015	Additions	Disposals/ Adjustments	31st March 2016	31st March 2016	1 April 2015
1.1 **Property, Plant and Equipment**										
Free hold Land	14,295.88	949.86	-	15,245.74	-	-	-	-	15,245.74	14,295.88
Building	26,815.15	596.26	-	27,411.41	-	1,273.75	-	1,273.75	26,137.66	26,815.15
Plant & Machinery	43,025.53	3,996.74	64.89	46,957.38	-	8,447.61	0.02	8,447.59	38,509.79	43,025.53
Vehicles	486.41	47.53	24.69	509.25	-	140.58	5.55	135.03	374.22	486.41
Other Equipments	585.29	32.62	-	617.91	-	117.62	-	117.62	500.29	585.29
Furniture & Fixture	499.46	99.64	-	599.10	-	77.12	-	77.12	521.98	499.46
Total	85,707.72	5,722.65	89.58	91,340.79	-	10,056.68	5.57	10,051.11	81,289.68	85,707.72
1.2 Intangible Assets	-	-	-	-	-	-	-	-	-	-
1.3 **Investment Properties :**										
Buildings and related equipments	1,008.31	-	-	1,008.31	-	50.42	-	50.42	957.89	1,008.31
Total	1,008.31	-	-	1,008.31	-	50.42	-	50.42	957.89	1,008.31

Financial Assets	**As at**		As at		As at	
2.1 Investments	**31st March 2017**		31st March 2016		1st April 2015	
Investment at fair value through profit or loss	**No.of Units**	**Amount**	No.of Units	Amount	No.of Units	Amount
Investment in Equity instruments						
i) MOIL Ltd. (Equity Shares of Rs.10/- each fully paid up)	**1,892.00**	**5.94**	1,892	4.12	1,892	5.23
ii) Punjab & Sind Bank (Equity Shares of Rs.10/- each fully paid up)	**4,893.00**	**2.69**	4,893	1.69	4,893	2.23
Investment in Redeemable bonds						
iii) HDFC High Interest Fund dynamic plan direct growth, on open ended scheme of Rs.10/- each fully paid up.	**269,503.04**	**157.91**	-	-	-	-
iv) ICICI Prudential long term plan direct growth, on open ended scheme of Rs.10/- each fully paid up.	**777,955.84**	**161.48**	-	-	-	-
Investment at fair value through other comprehensive income						
Investment in Equity instruments						
i) Nahar Capital & Financial Services Ltd. (Equity Shares of Rs. 5/- each fully paid up)	**577,856.00**	**582.19**	577,856	336.89	567,656	368.98
ii) Nahar Poly Films Ltd. (Equity Shares of Rs.5/- each fully paid up)	**1,247,063.00**	**760.08**	1,247,063	408.41	1,060,620	217.43
iii) Equity Shares of Rs.50/- each fully paid up of Shree Panchvati Co-Operative Housing Society Ltd.	**10**	**0.005**	10	0.005	10	0.005
Investment in Government securities						
i) 7.39 % Housing and Urban Development Corporation Ltd (Tax free Bonds of Rs. 1000/- each fully paid up)	**7,007.00**	**77.78**	7,007	70.22	-	-
ii) 7.39 % Housing and Urban Development Corporation Ltd. (Tax free Bonds of Rs.1000/- each fully paid up)	**15,058.00**	**167.16**	15,058	150.58	-	-
iii) 7.35 % Indian Railway Finance Corporation Ltd.(Tax free Bonds of Rs.1000/- each fully paid up)	**5,878.00**	**65.24**	5,878	58.78	-	-
iv) 7.35 % National Bank for Agricultural and Rural Development.(Tax free Bonds of Rs.1000/- each fully paid up) of 7.35%	**10,020.00**	**111.18**	10,020	104.21	-	-
v) 7.35 % National Highways Authority of India. (Tax free Bonds of Rs.1000/- each fully paid up)	**7,709.00**	**85.68**	7,709	77.09	-	-
Investment at amortised cost						
Investment in Redeemable Preference Shares						
i) L&T Finance Holdings Ltd. (Preference Shares of Rs.100/- each fully paid up)	**300,000.00**	**300.03**	300,000	300.00	-	-
TOTAL		**2,477.37**		1,512.00		593.88
(a) Aggregate amount of quoted investments and market value thereof;		**2,477.36**		1,511.99		593.87
(b) Aggregate amount of unquoted investments; and		**0.005**		0.005		0.005
(c) Aggregate amount of impairment in value of investments.		**-**		-		-

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
2.2	**LOANS**			
	Loans	-	-	-
	Security deposits			
	- Secured, considered good	**-**	-	-
	- Unsecured, considered good	**2,395.81**	2,130.69	2,442.61
	Total	**2,395.81**	2,130.69	2,442.61
2.3	**OTHER FINANCIAL ASSETS**			
	Fixed deposit having original maturity	**-**	-	0.30
	more than 12months	**-**	-	0.30
3	**Other Non Current Assets**			
	Capital advances	**3,484.05**	1,716.81	3,385.90
	Prepaid rent	**2.19**	3.28	4.37
	Total	**3,486.24**	1,720.09	3,390.27
CURRENT ASSETS				
4	**Inventories (Ref note 26(h)**			
	Raw Materials	**27,123.84**	43,290.71	36,496.83
	Raw Materials (Goods in Transit)	**48.29**	33.99	45.23
	Work in Process	**4,585.49**	4,752.88	5,805.71
	Finished Goods	**14,003.53**	12,630.58	12,375.50
	Stock-in-Trade	**192.46**	178.76	87.14
	Stores & Spares	**1,828.75**	1,797.97	1,531.14
	Stores & Spares (Goods in Transit)	**-**	0.13	0.14
	Waste & Rejections	**1,120.50**	857.91	580.30
	Total	**48,902.86**	63,542.93	56,921.99

Financial Assets

5.1 Investments	**As at 31st March 2017**		As at 31st March 2016		As at 1st April 2015	
Investment at fair value through profit or loss						
Investments in Mutual funds	**No.of Units**	**Amount**	No.of Units	Amount	No.of Units	Amount
i) ICICI prudential income plan regular growth an open ended scheme of Rs.10/- each fully paid up.	**270,734.910**	**141.54**	270,734.910	125.64	270,734.910	118.83
ii) SBI magnum income fund Direct plan growth an open ended scheme of Rs.10/- each fully paid up.	**337,298.843**	**138.59**	337,298.843	122.30	337,298.843	114.95
TOTAL		**280.13**		247.94		233.78

5.2	**Trade Receivables**			
	Unsecured Considerd good	**30,360.44**	36,285.60	38,495.59
	Doubtful	**65.60**	65.60	65.60
	Less: Provision for doubtful debts	**(65.60)**	(65.60)	(65.60)
	Total	**30,360.44**	36,285.60	38,495.59

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
5.3	**Cash and Cash Equivalents**			
	Balance with banks	**2,398.91**	985.66	605.30
	Cash in hand	**35.02**	49.19	68.89
	Cheque/drafts in hand	**-**	-	11.25
	Deposits with maturity less than three months	**178.00**	-	-
	Total	**2,611.93**	1,034.85	685.44
5.4	**Other bank balances**			
	Unpaid Dividend account	**79.61**	66.84	71.63
	Deposits with maturity more than three months but less than twelve months		-	-
	Debts due by directors	**-**	-	-
	Others	**2.50**	181.45	180.93
		82.11	248.29	252.56
5.5	**Other financial assets**			
	Interest accrued on FD	**8.57**	0.82	-
	Advances to employees	**42.03**	86.92	74.26
	Total	**50.60**	87.74	74.26
6	**Government grant receivables**			
	Government grant receivable	**1,531.24**	2,471.65	2,105.05
	Total	**1,531.24**	2,471.65	2,105.05
7	**Current tax assets (Net)/ Current Tax Liabilities (Net))**			
	Advance income tax	**5,250.00**	2,850.00	1,028.06
	TDS recoverable	**181.75**	144.89	139.59
	TCS deposit	**0.10**	-	-
	Less: Provision for income tax	**(5,485.00)**	(2,975.00)	(950.00)
	Total	**(53.15)**	19.89	217.65
8	**Other Current Assets**			
	Prepaid expenses	**344.60**	331.76	341.71
	Prepaid rent	**1.10**	1.09	1.09
	Advance to suppliers	**2,266.51**	1,001.69	2,335.69
	Balances with Government authorities	**2,592.80**	2,090.55	3,557.56
	Others	**869.06**	1,919.05	795.22
	Total	**6,074.07**	5,344.14	7,031.27
	EQUITY AND LIABILITIES			
9.	**Equity Share Capital**			
	A) Authorised			
	60,000,000 (Previous year 60,000,000) equity shares of Rs. 5 each	**300.00**	300.00	300.00
	B) **Issued, subscribed and fully paid up**			
	36,065,303 (Previous year 36,065,303) equity shares of Rs. 5 each fully paid up	**1,803.27**	1,803.27	1,803.27
	Add : Share forfeited	**2.04**	2.04	2.04
	Total	**1,805.31**	1,805.31	1,805.31

a) Terms/rights attached to equity shares

The company has only one class of shares having par value at Rs. 5/-per share. Each holder of equity shares is entitled to one vote per share.

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
b)	**Reconciliation of number of shares**			
	Number of shares at the begning of the Financial year	**36,065,303.00**	36,065,303.00	36,065,303.00
	Add: Shares Issued During the year	**-**	-	-
	Less: Share buy back during the year	**-**	-	-
	Number of shares at the end of the Financial year	**36,065,303.00**	36,065,303.00	36,065,303.00

c) Detail of shareholders holding more than 5% shares

		No. of shares	% age	No. of shares	% age	No. of shares	% age
1.	Nahar Capital and Financial services Limited	**10257384**	**28.44**	10257384	28.44	10257384	28.44
2.	Nahar Poly Films Limited	**6902244**	**19.14**	6902244	19.14	6902244	19.14
3.	Nahar Industrial Enterprises Limited	**2356930**	**6.54**	2356930	6.54	2356930	6.54

d) Forfeited Shares (amount originally paid up)

	Amount Paid Up	No. of shares	No. of shares	No. of shares
	Rs.2.50 per Share	**80,298.00**	80,298.00	80,298.00
	Rs.5.00 per Share	**710.00**	710.00	710.00

10. Other Equity

A)	**Security premium reserves**			
	Balance as per Last Balance Sheet	**20959.85**	20959.85	20959.85
B)	**Capital reserves**			
	Balance as per Last Balance Sheet	**1,363.86**	1,363.86	1,363.86
C)	**Capital subsidy reserve**			
	Balance as per Last Balance Sheet	**-**	-	150.00
	Less: Transfer to Retained Earning	**-**	-	(150.00)
		-	-	-
D)	**General reserves**			
	Balance as per Last Balance Sheet	**50,557.90**	46,557.90	46,961.67
	Less : Value of the Assets Adjusted	**-**	-	(1,903.77)
	Add: Transfer From Surplus/Retained Earning	**-**	4,000.00	1,500.00
	Balance as per Last Balance Sheet	**50,557.90**	50,557.90	46,557.90
E)	**CSR Reserve Account**			
	Balance as per Last Balance Sheet	**-**	-	-
	Add: Transfer from Retained Earning	**172.30**	-	-
	Balance at the end	**172.30**	-	-
F)	**Retained Earning/Surplus**			
	Balance as per Last Balance Sheet	**6,391.19**	5,717.34	5,576.51
	Profit/(Loss) Transfer from Profit & Loss A/c	**4,597.25**	5,086.53	2,036.64
	Other Comprehensive Income for the Year	**624.60**	169.50	(96.22)
	Add: Transfer from Capital Subsidy Reserve	**-**	-	150.00
	Less: Adjustment of Income Tax earlier Years	**22.04**	148.11	15.52
	Less: Dividend	**540.98**	360.65	360.65
	Less: Tax on Dividend	**110.13**	73.42	73.42
	Less: Transfer to General Reserve	**-**	4,000.00	1,500.00
	Less: Transfer to CSR Expense Reserve	**172.30**	-	-
		10,767.59	6,391.19	5,717.34
Total		**83,821.50**	79,272.80	74,598.95

Nahar Spinning Mills Ltd.

Statement of changes in equity for the period ended 31st March 2017

A. Equity Share Capital

Particulars	Note	Amount
As at 1st April 2015		1805, 30, 810
Changes in equity share capital	9	
As at 31st March 2016		1805, 30, 810
Changes in equity share capital	9	
As at 31st March 2017		1805, 30, 810

B. Other equity

Particulars	Notes	Reserve and surplus					
		Securities premium	Retained earnings	Captial reserve	General reserve	CSR expense reserve	Total equity
Balance at 1st April 2016		20,959.85	6,391.19	1,363.86	50,557.90	-	79,272.80
Profit for the year		-	4,575.21	-	-	-	4,575.21
Other comprehensive income		-	624.60	-	-	-	624.60
Total comprehensive income for the year		**20,959.85**	**11,591.00**	**1,363.86**	**50,557.90**		**84,472.61**
Dividends (includes Dividend distribution tax)		-	(651.11)	-	-	-	(651.11)
Transfer from current year profit		-	-	-	-	-	-
Transfer to CSR Expense reserve		-	(172.30)	-	-	-	(172.30)
Transfer to General reserve		-	-	-	-	-	-
Transfer from Retained earnings		-	-	-	-	172.30	172.30
Balance as at March 31, 2017		**20,959.85**	**10,767.59**	**1,363.86**	**50,557.90**	**172.30**	**83,821.50**

Particulars	Notes	Reserve and surplus					
		Securities premium	Retained earnings	Captial reserve	General reserve	CSR expense reserve	Total equity
Balance at 1st April 2015		20,959.85	5,717.34	1,363.86	46,557.90	-	74,598.95
Profit for the year		-	4,287.31	-	-	-	4,287.31
Other comprehensive income		-	169.50	-	-	-	169.50
Total comprehensive income for the year		**20,959.85**	**10,174.15**	**1,363.86**	**46,557.90**	**-**	**79,055.76**
Dividends (includes Dividend distribution tax)		-	217.04	-	-	-	217.04
Transfer from current year profit		-	(4,000.00)	-	4,000.00	-	-
Transfer to CSR Expense reserve		-	-	-	-	-	-
Transfer to General reserve		-	-	-	-	-	-
Transfer from Retained earnings		-	-	-	-	-	-
Balance as at March 31, 2016		**20,959.85**	**6,391.19**	**1,363.86**	**50,557.90**	**-**	**79,272.80**

Non Current Liabilities
Financial Liabilities

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
11.1	**Borrowings**			
	Term loans from banks- Secured			
	1. From State Bank of India	**2,402.14**	3,967.08	2,567.10
	2. From State Bank of Patiala	**-**	2,095.34	3,842.18
	3. From Oriental Bank of Commerce	**3,562.79**	4,912.27	7,124.31
	4. From IDBI Bank Limited	**3,217.15**	4,632.53	5,983.93
	5. From Allahabad Bank	**7,753.29**	11,696.16	14,861.61
	6. From Punjab National Bank	**-**	-	239.23
	Total	**16,935.37**	27,303.38	34,618.36

Nature Of security	Terms of Repayment
1. STATE BANK OF INDIA	
The Term Loan OF Rs. 8000 Lacs is secured by first charge on the entire fixed assets of the company on pari-passu basis with consortium member banks. The Term loan is personally guaranteed by three Directors of the company.	-Term Loan is repayable in quarterly installments by 31.03.2020. Rate of Interest 31.03.2017, 9.70% p.a , 31.03.2016, 9.75% p.a, and 31.03.2015, 10.45% p.a.
The Term Loan OF Rs. 6000 Lacs is secured by first charge on the entire fixed assets of the company on pari-passu basis with consortium member banks. The Term loan is personally guaranteed by three Directors of the company.	Term Loan is repayable in quarterly installments by 31/12/2015. Rate of Interest ,31.03.2015 11.50% p.a
2. STATE BANK OF PATIALA	
Term Loan of Rs.8500.00 lacs is secured by first pari-passu charge on all the present and future fixed assets of the company along with other term lenders. This loan is also personally guaranteed by three directors of the company .	- Term Loan is repayable in quarterly installments by 01/04/2018. Rate of interest 31.03.2017, 10.65 % p.a, 31.03.2016,10.65% p.a and 31.03.2015, 11.25 % p.a
3. ORIENTAL BANK OF COMMERCE	
Term Loan of Rs.12400 Lacs of erstwhile Nahar Exports Limited is secured by first charge on specific fixed assets i.e. Hypothecation of Plant & Machinery to be Purchased under the project of estimated cost of Rs.15571 Lacs of the units situated at Jodhan and Jitwal Kalan. Sanction Term Loan is personally guaranteed by a Director of the Company	- Term Loan is repayable in quarterly installments by 01/01/2017. Rate of Interest 31.03.2016 ,10.70% p.a and 31.03.2015, 11.25% p.a
Term Loan of Rs.7500 Lacs is secured by first pari-passu charge on the Units of Mandideep, Lalru (except Unit-III) and Ludhiana. Term Loan is personally guaranteed three Director of the Company	- Term Loan is repayable in quarterly installments by 30/09/2016. Rate of Interest 31.03.2016,10.70% p.a and 31.03.2015, 11.25% p.a
Term Loan of Rs.13000 Lacs is secured by first charge on fixed assets of the company on pari-passu basis with other term lenders. The Loan is personally guaranteed by three Directors of the Company.	- Term Loan is repayable in quarterly installments by 01/01/2021. Rate of Interest 31.03.2017,9.60% p.a 31.03.2016,10.70% p.a and 31.03.2015, 11.25% p.a
4. IDBI BANK LIMITED	
Term Loan of Rs. 11000 Lacs is Secured by first Pari-Passu Charge(hyphothecation) on all fixed movable assets and Negative Lien on Immovable fixed assets (Land & Building). The Term Loan is personally guaranteed by Three Directors of the Company.	- The Term Loan is repayable in quarterly installments by 01/07/2020. Rate of Interest 31.03.2017,10.25% p.a 31.03.2016,10.50% p.a and 31.03.2015, 11% p.a
5. ALLAHABAD BANK	
Term Loan of Rs. 19700 Lacs is Secured by first Pari-Passu Charge on the entire fixed assets of the Company both present and future. The Term Loan is personally guaranteed by three Directors of the Company.	-Term Loan is repayable in quarterly installments by 30/09/2019. Rate of Interest 31.03.2017,10.50% p.a 31.03.2016,10.50% p.a and 31.03.2015, 11% p.a

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	6. PUNJAB NATIONAL BANK			
	Term Loan of Rs.8800 Lacs is secured by first pari-passu charge on the units of Mandideep Lalru(except unit-III Lalru) and Ludhiana and also personally guaranteed by three Directors of the Company. -Term Loan is repayable in quarterly installments by 30/04/2016 Rate of Interest 31.03.2016,10.10% p.a and 31.03.2015, 10.75% p.a			
11.2	**Other financial liability**			
	Retention money	**-**	50.00	82.28
	Total	**-**	50.00	82.28
12.	**Deferred tax Liabilities (Net)**			
	On account of Depreciation, Change in rate of Tax, Ind AS adjustments etc.	**3,808.36**	4,238.71	4,532.62
	Difference on account of Allowances under section 43B, Loss & Others	**34.61**	(58.84)	(203.99)
	Total	**3,842.97**	4,179.87	4,328.63
13	**Other non current liabilities**			
	Deferred income	**4.71**	-	9.04
	Total	**4.71**	-	9.04
	Current Liabilities			
14.1	**Borrowings**			
	Loans from banks- Secured	**45,592.61**	64,300.98	62,290.18
	Total	**45,592.61**	64,300.98	62,290.18
	Secured by (I) Hypothecation of entire present and future movable assets of the company such as Stock of Materials, Work in process, Finished Goods, Goods in transit, Stores and Spares, Book Debts etc. (II) 2nd Charge (on pari-passu basis) over entire plant and machinery, present or future, of all the units of the company and also personally Guaranteed by Chairman, Managing Director and one Director of the Company.			
14.2	**Trade and other payables**			
	Dues to micro enterprises and small enterprises (refer note 29)	-	-	-
	Trade payables	**4,817.37**	3,517.73	3,128.88
	Total	**4,817.37**	3,517.73	3,128.88
14.3	**Other financial liabilities**			
	Current maturities of long term debts	**11,310.07**	9,917.28	10,820.97
	Retention money	**64.17**	77.54	105.17
	Others	-	-	
	Total	**11,374.24**	9,994.82	10,926.14
15.	**Other current liabilities**			
	Advances from customers	**500.90**	738.42	701.34
	Unpaid dividends	**79.61**	66.84	71.64
	Dues to director	**20.92**	34.03	-
	Government dues	**363.26**	431.57	297.43
	Deferred income	**-**	6.80	9.05
	Others	**5,972.44**	4,972.20	5,905.85
	Total	**6,937.13**	6,249.86	6,985.31
16.	**PROVISIONS**			
	Provision for Gratuity	**380.25**	331.39	465.61
	Total	**380.25**	331.39	465.61

(Rs. In Lacs)

Note No.	PARTICULARS	As at March 2017	As at March 2016
17.1	**REVENUE FROM OPERATIONS**		
	A) Sale of Products		
	Export	**134,378.90**	127,040.96
	Domestic	**72,578.29**	69,736.55
	Export incentives	**5,464.39**	5,372.35
	Sale of services	**505.16**	360.42
	Total	**212,926.74**	202,510.28
17.2	**Other Operating Revenues**		
	Miscellaneous sales	**209.50**	244.09
	Miscellaneous receipts	**69.07**	137.12
	Claims received	**10.19**	27.02
	Total	**288.76**	408.23
18.	**OTHER INCOME**		
	Interest income	**292.61**	307.65
	Dividend income	**39.53**	30.78
	Rental income	**167.06**	166.53
	Balances written back	**141.69**	90.65
	Gain on sale of Property, Plant & Equipment	**175.08**	300.47
	Net gain on sale of investments	**7.23**	7.23
	Net Gain/(loss) on fair valuation of investment	**54.40**	12.50
	Net MTM gain on Derivative instrument/ forward contracts FVTPL	**274.53**	639.47
	Miscellaneous income	**1,047.63**	248.06
		2,199.76	1,803.34
19.	**COST OF MATERIALS CONSUMED**		
	Opening stock	**43,290.71**	36,496.83
	Add : Purchases (Net)	**112,601.22**	119,193.98
	Less: Closing Stock	**(27,123.84)**	(43,290.71)
		128,768.09	112,400.10
20	**Purchases of stock-in-trade**		
	Hosiery Garments/others	**431.59**	560.24
		431.59	560.24
21.	**CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK-IN-PROGRESS/STOCK-IN-TRADE**		
	Opening stock		
	Work-in-Progress	**4,752.88**	5,805.71
	Finished Goods, Stock in Trade & Waste	**13,667.25**	13,042.94
	Less: Closing Stock		
	Work-in-Progress	**(4,585.49)**	(4,752.88)
	Finished Goods, Stock in Trade & Waste	**(15,316.49)**	(13,667.25)
		(1,481.85)	428.52
22.	**EMPLOYEE BENEFIT EXPENSES**		
	Salary and wages	**17,279.58**	17,377.30
	Contribution to Provident and other funds	**1,961.88**	1,821.01
	Employees Welfare Expenses	**443.51**	475.59
		19,684.97	19,673.90

(Rs. In Lacs)

Note No.	PARTICULARS	As at March 2017	As at March 2016
23.	**FINANCE COSTS**		
	Interest on term loan	**2,377.97**	3,426.59
	Interest on cash credit	**1,656.56**	2,319.91
	Interest to others	**5.61**	14.42
	Other borrowing costs	**62.87**	5.79
		4,103.01	5,766.71
24.	**OTHER EXPENSES**		
	Consumption of stores & spare parts	**1,248.64**	1,307.75
	Power and Fuel	**25,292.63**	26,064.76
	Dyes & Chemicals	**2,254.37**	2,572.10
	Fabrication Charges	**2.15**	1.61
	Rent	**37.12**	32.80
	Repair to Buildings	**429.77**	185.99
	Repair to Machinery	**3,724.16**	2,836.23
	Insurance	**278.61**	266.40
	Rates and taxes	**127.53**	201.00
	Payment to auditors (ref note 24.1)	**27.81**	29.13
	Exchange Rate Difference (Net)	**0.50**	32.80
	Brokerage/commission on sale	**1,354.47**	1,359.78
	Cost of Raw Material Sold	**3,026.08**	2,485.84
	Freight and forwarding	**3,821.70**	4,384.02
	Packing Store Consumed	**3,442.39**	3,647.76
	Vehicle Maintenance and Conveyance	**423.71**	409.79
	Bank Charges	**551.07**	517.29
	Others	**1,509.86**	1,406.98
		47,552.57	47,742.03
24.1	**PAYMENT TO AUDITORS**		
	Audit Fees	**22.45**	21.39
	Tax Audit Fees	**3.88**	3.66
	Certification Charges	**0.79**	3.28
	Out of Pocket Expenses	**0.69**	0.80
		27.81	29.13
25	**TAX EXPENSE:**		
	(1) Current tax		
	Provision for Taxation	**2,510.00**	2,975.00
	(2) Deferred tax	**(336.89)**	(148.76)
		2,173.11	2,826.24

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2017 and 31st March 2016:

Accounting profit before tax & Exceptional Items	**6,770.36**	8,033.17
All india's statutory income tax rate of 34.608% (31st March 2016: 34.608%)	**2,343.08**	2,780.12
Tax allowances:		
Tax allowance under section 32(AC)	**196.37**	207.42
Reversal of deferred tax asset on temporary differences etc.	**26.40**	253.54
Income tax expense reported in the statement of profit and loss	**2,173.11**	2,826.24

26. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

I) BACKGROUND:

Nahar Spinning Mills Limited (the "Company") incorporated as a Private Limited company in 1980 and became a Public Limited company in 1983. Nahar Spinning Mills Limited is engaged in the business of manufacture of cotton yarn/blended yarn and hosiery knitwears . The company is a public Limited company domiciled in India and is incorporated under the provisions of Companies Act applicable in India, Its shares are listed in recognized stock exchanges of India. The registered office of the company is located at 373, Industrial Area 'A', Ludhiana.

ii) SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) BASIS OF PREPARATION:

i) Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS)as per Companies Indian Accounting Standard Rules, 2015 notified under section 133 of the Companies Act,2013 (the Act) and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS. Refer note 41 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

The Financial statements of the company for the year ended 31st March,2017 have been approved by the Board of Directors at their meetings held on 30 May,2017.

(ii) The accounts of the Company have been prepared on going concern basis and historical cost basis except certain financial assets and liabilities measured at fair value and defined benefit plans- assets measured at fair value.

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(iv) Current/Non-current classification :

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

b) Foreign currency translation

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Nahar Spinning Mills Limited's functional and presentation currency.

Foreign currency translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of profit and loss.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and value added taxes.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specific of each arrangement.

Export Incentives- Export incentives are recognised on post export basis.

Timing of recognition- The company manufactures and sells hosiery knitwears,cotton yarn/blended yarn. Revenue from sales are recognised when significant risk and rewards of ownership of the goods has been transferred to the buyer and entity does not have the effective control over the goods sold.

Excise Duty

Excise Duty payable on finished goods, if any, is accounted for on clearance of goods from the factory. Cenvat in respect of excise duty paid on Raw Material, Stores and Capital Goods is taken, if any, in accordance with the Cenvat Credit Rules 2004**.**

d) GOVERNMENT GRANT :

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grant relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets and presented within other income.

e) INCOME TAX :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In that case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f) TRADE RECEIVABLES:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

g) CASH AND CASH EQUIVALENTS:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other bank balances, and bank overdrafts.

h) INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower. However to determine the cost, the following methods are adopted:-

1. a) For Raw Material on moving weighted average method plus direct expenses.
   b) For Stores and Spares on moving weighted average method plus direct expenses.
   c) For Work–in–Process, cost of Raw Material plus appropriate share of manufacturing expenses/relevant Overheads/conversion cost depending upon the stage of completion.
2. For Finished goods, cost of raw material plus conversion costs, packing cost and other overheads incurred to bring the inventories to their present condition and location.
3. Further Wastage and Rejections are valued at net realizable value only.

4. Goods in Transit are valued at cost.

i) INVESTMENT AND OTHER FINANCIAL ASSETS

I) Classification

The company classifies its financial assets in the following measurement categories –

- Those to be measured subsequently at fair value (either through other comprehensive income or through Statement of profit and loss), and
- Those measured at amortised cost

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at the fair value through other comprehensive income.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus transaction cost that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs of financial assets are expensed in the Statement of profit and loss.

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss.

iii) Impairment of financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of Financial Assets:

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

v) Income Recognition:

Interest income – Interest income from debt instruments is recognised using the effective interest rate method.

Dividend income – Dividends are recognised in profit or loss only when the right to receive payment is established.

Rental Income- Rental income is accounted for on accrual basis.

Scrap (i.e. empties, wastage etc. Other than production) is accounted for on sale basis.

j) Impairment of Non-Financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash-generating units). Non-Financial assets suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k) Non- Current Assets Held for Sale :

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt.

Non-current assets are not depreciated or amortised while they are classified held for sale. Interest and other expenses attributable to the liabilities of disposal, company classified as held for sale, continue to be recognised.

l) Derivatives that are not designated as hedges

The company enters into certain derivatives/forward contracts to hedge foreign currency risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

m) Property, plant and equipment

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in the Schedule II to the Companies Act, 2013.

a) In Garment Division at Ludhiana, depreciation is charged on W.D.V. basis.

b) In all other units, depreciation is charged on Straight Line basis.

The residual values are not more than 5% of the original cost of the assets.

n) Investment Properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and cost of the item can be measured reliably.

Investment properties are depreciated using the written down value method over the useful life of 60 years.

o) Intangible assets

Computer software

Computer software are stated at cost,less accumulated amortisation and impairment ,if any.

Amortisation methods and periods

The company amortises the computer software with a finite useful life over the period of 6 years.

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in

the period in which they are incurred.

s) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

t) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, if any, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long term employee benefit obligations

The liabilities, if any, which needs to be settled after 12 months from the end of the period in which the employees render the related services are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

(iii) Post-employment obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iv) Defined contribution plans

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.

u) Estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable.
- Designation of financial assets /liabilities through FVTPL .
- Estimation of defined benefit obligation.
- Recognition of deferred tax assets for carried forward tax losses.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on company and that are believed to be reasonable under the circumstances.

27. Contingent Liabilities not Provided for:

a) Bank guarantees outstanding Rs. 8.94 Lacs (31st March 2016: Rs. 1,662.54 Lacs, 1st April 2015: Rs 1662.54 Lacs)

b) The Company has bound itself unto the President of India for Rs.138.00 Lacs (31st March 2016: Rs.138.00 Lacs, 1st April 2015: Rs. 138. 00 Lacs) under Central Excise Act, 1944 for clearance of goods without payment of excise duty, in respect of export of various types of yarn and for storage of various commodities manufactured within factory premises.

c) Excise/Service Tax/Sales Tax/Income Tax/ Other Government Authorities have raised demands of Rs. 367.47 Lacs (31st March 2016: Rs.462.15 Lacs, 1st April 2015: Rs. 404.52 Lacs) out of which a sum of Rs. 7.47 Lacs (31st March 2016: Rs. 7.20 Lacs, 1st April 2015: Rs. 7.20 Lacs) has been deposited against said demand. Further these demands have been contested in appeal and no provision has been made in the financial statement.

d) The Madhya Pardesh Government's Ordinance to collect cess on Captive Power generation was declared ultravires by the Hon'ble Supreme court vide order dated 09/12/2003. But the State Government subsequently enacted an Act namely M.P.Upkar (Sanshodhan Tatha Vidhimanyatakaran) Adhiniyam 2004 on 15th April 2004 which deemed to have come in to force from 29.06.2001.After the above act, the M.P.High Court passed an order dated 31/08/2007 to collect the dues of Cess from Captive Power plant users along with interest. According to this order, on the disputed amount,Rs. 193.91 Lacs (31st March 2016: Rs.182.28 lacs, 1st April 2015: Rs. 170.65 Lacs) is payable as interest. The above referred order has been challenged by some actual users in Hon'ble Supreme Court and matter being sub-judice,hence liability has not been provided for in the books.

e) The Company has given Corporate Guarantees for Rs. 4,000 Lacs (31st March 2016: Rs. 4,000 Lacs, 1st April 2015: Rs. 4000 Lacs) to the term lenders in respect of financial assistance granted to M/s Nahar Poly Films Limited, Ludhiana.

f) Levy of Entry Tax on certain items including yarn by the Punjab Government is subjudice before the Hon'ble Punjab & Haryana High Court .The Punjab Government has deferred the same subject to undertaking by the company that if the same is hold valid by the Hon'ble High Court , then company will deposit the same w.e.f the date of undertaking . The amount of such entry tax is Rs. 153.50 Lacs (31st March 2016: Rs.153.50 Lacs, 1st April 2015: Rs. 153.50 Lacs). It has no material effect on the profitability of the company since the same will be claimed as Input Tax Credit.

28. Capital Commitments

Estimated amount of Contracts remaining to be executed , net of advances- **(Rs. in lacs)**

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
On Capital Accounts	**7,34.15**	3,177.45	3212.89
On Others	**1.35**	221.04	7.37

29. There are no Micro & Small enterprises covered under Micro, Small and Medium Scale Development Act,2006, to whom the company owes dues, which are outstanding for more than 45 days. This information has been determined on the basis of intimation received from the parties.

	31st March 2017	31st March 2016	1st April 2015
The principal amount and the interest due thereon (to be shown separately) remaining unpaid.	**-**	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day.	**-**	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise	-	-	-

Development Act, 2006.			
The amount of interest accrued and remaining unpaid.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-

30. Other Notes

I. Salaries & wages incurred during the year on repairs and maintenance of Building and Plant & Machinery etc. have been charged to former accounts and not shown separately.

II. In the opinion of the board, the value of Current Assets, Loans and Advances have a value in the ordinary course of business at least equal to that stated in the balance sheet.

III. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.

IV. Borrowing cost amounting Rs. Nil Lacs (31st March 2016: Rs.18.42 lacs, 1st April 2015: Rs. 95.59 lacs) has been capitalized during the year.

V. Material events occurring after the balance sheet date are taken into cognizance.

VI. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever necessary to make them comparable.

VII. In accordance with the section 135 of the Companies Act 2013, the company is covered by the provision of the said section:-

(Rs. In Lacs)

Particulars	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
The amount required to be spent	**172.30**	119.25	110.51
The amount spent	**-**	120.40	-

Last year the company and other Group companies have joined hands to undertake the future CSR activities under one Umbrella organization i.e. Oswal Foundation M/s. Oswal Foundation, a special purpose vehicle has been considering new project in the field of health care which is likely to be finalized soon. Whenever it will mature and approved by all the companies under umbrella, the amount of CSR liability will be contributed to OSWAL FOUNDATION to implement the CSR project during the year 2017-18 Accordingly, the amount of CSR liability of Rs. 172.30 Lacs has been set apart in Reserve and will be contributed as and when foundation demands for new project in hand.

VIII. The Company had entered into a contract with Trident International Holdings FZCO, Dubai to purchase property for official use for a consideration of Thriteen Million Three hundred nineteen thousand eight hundred ninety eight Dirhams. The company has paid Seven Million Nine hundred ninety one thousand nine hundred forty Dirhams. (INR 939.51 Lacs) As per the contract, the above said party was supposed to handover the contracted property at the end of 1st Quarter of 2011. The said party breached the contract, thus company is entitled to recover full payment of the amount paid and reasonable interest and damages etc. and for this purpose, arbitration proceedings have been initiated which are still pending. The amount paid by the company has been shown as capital advance.

IX. The company is operating in single segment i.e Textiles. Hence segment reporting as required under IND AS 108 (Operating Segments) is not applicable.

Major Customer

Sales of the company is evenly distributed, disclosure of major customer is not being made. There is no single customer having sale more than 10% of the turnover of the company.

X. During the year 2016-17, M.D. remuneration up to December'2016 has been paid as approved by Ministry of Corporate affairs vide letter dated 17.02.2016 and for January to March'2017, remuneration has been paid as allowed by Schedule V of the Companies Act,2013.

31. Government Grants **(Rs. in Lacs)**

	31st March 2017	31st March 2016	1st April 2015
At the beginning of the year	**2,471.65**	2,105.05	1,761.37
Provided during the year	**1,999.02**	1,328.69	1,507.66
Received during the year	**2,939.43**	962.09	1,163.98
At the end of the year	**1,531.24**	2,471.65	2,105.05
Current	**1,531.24**	2,471.65	2,105.05
Non-current	**-**	-	-
	1,531.24	2,471.65	2,105.05

Government grants have been received for the purchase of certain items of property, plant & equipment and MP state sales tax incentives. There are no unfulfilled conditions or contingencies attached to these grants.

32. **Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 36.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

33. Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The company is carrying its borrowings primarily at variable rates. For floating rates borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year . A 50 basis point Increase or decrease is used when reporting interest rate risk internally to Key management personnel and represents management's assessment of the reasonably possible change in interest rates .

(Rs. in Lacs)

	31st March 2017	31st March 2016	1st April 2015
Variable rate borrowings	**57,909.75**	80,257.72	85,470.27
Fixed rate borrowings	**15,928.30**	21,263.92	22,259.24

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held 'constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on Profit before tax	
	31st March 2017	31st March 2016
Increase by 50 basis points	**(289.55)**	(401.29)
Decrease by 50 basis points	**289.55**	401.29

b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in international currencies as part of the business is transacted in foreign currencies and consequentaly the company is exposed to foreign exchange risk. The Company's exposure in foreign currency is in loans, trade receivables and advances and trade payables.

i) Particulars of unhedged foreign currency exposure as at reporting date

As at 31st March, 2017	(Foreign currency in Lacs)		
Particulars	**USD**	**EURO**	**Others**
Trade Receivables	**93.71**	**-**	**-**
EEFC Balance	**19.69**	**-**	**-**
Loan	**2.10**	**-**	**-**
Trade Payables	**0.02**	**0.05**	**0.01**
As at 31st March 2016			
Particulars	**USD**	**EURO**	**Others**
Trade Receivables	111.52	-	-

EEFC Balance	12.15	-	-
Cash & Bank Balances	-	-	0.86
Trade Payables	0.02	0.29	0.28
As at 1st April,2015			
Particulars	**USD**	**EURO**	**Others**
Trade Receivables	153.28	-	-
EEFC Balance	3.73	-	-
Cash & Bank Balances	-	-	1.11
Loan	6.68	-	-
Trade Payables	0.10	0.02	-

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(Rs. in Lacs)

	31st March 2017		31st March 2016	
	5% Increase	**5% Decrease**	5% Increase	5% Decrease
USD	**361.37**	**(361.37)**	409.33	(409.33)
EURO	**(0.16)**	**0.16**	(1.09)	1.09
Others	**(0.05)**	**0.05**	2.00	(2.00)
Increase/(decrease) in Profit or Loss	**361.16**	**(361.16)**	410.24	(410.24)

ii) Foreign Currency Exposure (Forward Booking)

The foreign currency exposure of the Company as on reporting date is as under. The company does not use forward contracts for speculative purpose.

(in Lacs)

Category wise quantitative data	**As at 31st March 2017**	As at 31st March 2016	As at 1st April 2015
Type of contract			
Forward contracts against exports	**70.07**	281.78	248.84
Forward contracts against imports	**20.00**	8.70	-

iii) Price risk

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk on reporting date

(ii) Moderate credit risk

The Company provides for expected credit loss based on the following:

Assets Group	**Basis of Categorisation**	**Provision for expected credit loss**
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment.

Recoveries made are recognised in statement of profit and loss.

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

i) Trade Receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addtion, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 5.2. Trade receivables are unsecured but considered goods subject to provision made thereon.

Trade Receivables	**31st March 2017**	31st March 2016	1st April 2015
Not Due	**29,834.28**	33,878.32	35,060.15
Up to Six Months Past Due	**525.64**	2,365.37	3,411.27
6 Months to 1 Year Past Due	**0.31**	40.13	2.65
More Than 1 Year Past Due	**65.81**	67.38	87.12
	30,426.04	36,351.20	38,561.19
Provision for Doubtful Debts			
More Than 1 Year	**65.60**	65.60	65.60
Total	**30,360.44**	36,285.60	38,495.59

Reconciliation of Provision for Doubtful Debts	**31st March 2017**	31st March 2016	1st April 2015
Balance at the Begining of the Year	**65.60**	65.60	65.60
Add: Provision made during the year	**-**	-	-
Less: Provision Write Back during the Year	**-**	-	-
Balance at the end of the Year	**65.60**	65.60	65.60

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company has access to the following undrawn borrowing facilities at the end of the reporting periods -

	31st March 2017	31st March 2016	1st April 2015
Floating rate			
(a) Expiring within one year (Bank overdraft and other facilities)			
Secured			
-Working Capital Limits	**70,335.69**	56,962.95	59,969.06
(b) Expiring beyond one year (Bank loans)			
Secured			
-Term loan from banks	-	-	4,632.90

ii) Maturity Patterns of borrowings

	Less than 1 Year	1 to 2 Years	2 to 5 Years	More than 5 Years
Year ended 31st March, 2017				
Contractual Maturities of borrowings	**59252.32**	**11197.93**	**7387.63**	**-**
Contractual Maturities of trade payables	**4817.37**	**-**	**-**	**-**
Contractual Maturities of other financial liabilities	**64.17**	**-**	**-**	**-**
Total	**64133.86**	**11197.93**	**7387.63**	**-**
Year ended 31st March,2016				
Contractual Maturities of borrowings	77608.15	13659.71	17643.51	-
Contractual Maturities of trade payables	3517.73	-	-	-
Contractual Maturities of other financial liabilities	77.53	50.00	-	-
Total	81203.41	13709.71	176643.51	-
Year ended 01st April,2015				
Contractual Maturities of borrowings	77507.80	13069.01	27653.66	642.13
Contractual Maturities of trade payables	3128.88	-	-	-
Contractual Maturities of other financial liabilities	105.17	32.28	50.00	-
Total	80741.85	13101.29	27703.66	642.13

Note 34. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	31st March 2017	31st March 2016	1st April 2015
Borrowings	**73,838.05**	101,521.64	107,729.51
Trade payables	**4,817.37**	3,517.73	3,128.88
Less: Cash and cash equivalents	**2,611.93**	1,034.85	685.44
Net debt	**76,043.49**	104,004.52	110,172.95
Equity	**85,626.81**	81,078.11	76,404.26
Capital and net debt	**161,670.30**	185,082.63	186,577.21
Gearing ratio	**47.04**	56.19	59.05

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2017 and 31st March 2016.

Note 35. Distribution made and proposed

Cash dividends on equity shares declared and paid:	**31st March 2017**	31st March 2016
Final dividend for the year ended on 31st March 2016:	**540.98**	360.65
Rs.1.50 per share(31st March 2015: Rs. 1 per share)		
DDT on final dividend	**110.13**	73.42
	651.11	434.07
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31st March 2017:		
Rs. 1.50 per share (31st March 2016: Rs.1.50 per share)	-	540.98
DDT on proposed dividend	-	110.13
	-	651.11

Note 36.Post-Employment Obligations - Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognised funds in India.

(Rs. In Lacs)

Changes in defined benefit obligation	**31-Mar-17**	31-Mar-16	01-Apr-15
Gratuity Plan	3,027.82	2,715.72	2,423.94

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Changes in defined benefit obligation	**31-Mar-17**	31-Mar-16
Present value obligation as at the start of the year	2,715.72	2,423.94
Interest cost	199.36	182.86
Current service cost	369.30	336.48
Benefits paid	(253.22)	(159.06)
Actuarial loss/(gain) on obligations	(3.34)	(68.50)
Present value obligation as at the end of the year	**3,027.82**	2,715.72

Change in fair value of plan assets	**31-Mar-17**	31-Mar-16
Fair value of plan assets as at the start of the year	2,384.33	1,958.33
Return on plan assets	187.36	177.44
Actuarial loss/(gain)	(21.91)	(9.89)
Contribution	351.01	417.51
Benefits paid	(253.22)	(159.06)
Fair value of plan assets as at the end of the year	**2,647.57**	2,384.33

Breakup of Actuarial gain/loss:

Description	**31-Mar-17**	31-Mar-16
Actuarial (gain)/loss on arising from change in financial assumption	148.61	14.55
Actuarial (gain)/loss on arising from experience adjustment	(151.95)	(83.05)
Return on plan assets (greater)/less than discount rate	**(21.91)**	(9.89)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
	31-Mar-17	31-Mar-16
Present value obligation as at the end of the year	3,027.82	2,715.72
Fair value of plan assets as at the end of the year	2,647.57	2,384.33
Net asset/(obligation) recognized in balance sheet	**(380.25)**	(331.39)

Amount recognized in the statement of profit and loss	**31-Mar-17**	31-Mar-16
Current service cost	369.30	336.48
Interest cost	12.00	5.42
(Income)/Expense recognised in the statement of profit and loss	**381.30**	341.90

Amount recognised in the statement of Other Comprehensive Income

(Rs. In Lacs)

Description	**31-Mar-17**	31-Mar-16
Actuarial Gain/(Loss) for the year on PBO	**(3.34)**	(68.50)
Actuarial Gain/(Loss) for the year on Asset	**21.91**	9.89
Recognised actuarial Gain/(Loss) at the end of the year	**18.57**	(58.61)

Actuarial assumptions	**31-Mar-17**	**3**1-Mar-16
Discount rate	**6.80%**	7.70%
Future salary increase	**7.00%**	7.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for gratuity liability

	31-Mar-17	31-Mar-16
Discount rate	**6.80%**	7.70%
	3,027.82	2,715.72
a) Impact due to increase of 0.50%	**(84.48)**	(71.14)
b) Impact due to decrease of 0.50%	**89.66**	75.34
Salary escalation rate at the end of the year	**7.00%**	7.00%
Present value of obligation at the end of the year	**3,027.82**	2,715.72
a) Impact due to increase of 0.50%	**86.65**	73.62
b) Impact due to decrease of 0.50%	**(82.85)**	(70.39)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Description	**31-Mar-17**	31-Mar-16
March 31, 2017	**-**	580.55
March 31, 2018	**582.99**	312.84
March 31, 2019	**342.16**	354.69
March 31, 2020	**378.10**	378.39
March 31, 2021	**430.60**	453.76
March 31, 2022	**471.80**	-
March 31, 2017 (March 31, 2023 to March 31, 2027) and March 31,2016 (March 31, 2022 to March 31, 2026)	**2,784.52**	2,641.07
Total expected payments	**4,990.17**	4,721.30

Withdrawl Rate	**31-Mar-17**	31-Mar-16
Attrition rate at the year and	**10.00%**	10.00%
Effect on DBO due to 5 % increase in Withdrawl Rate	**(50.63)**	(12.70)
Effect on DBO due to 5 % decrease in Withdrawl Rate	**59.01**	(2.82)

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years. (31st March 2016: 6 years)

Post Employement Benifit of KMP's **(Rs. in Lacs)**

Name of KMP	Date of Joining	DBO as at 31.03.2017	DBO as at 31.03.2016
Sh. Dinesh Oswal	01.01.1987	**7.36**	7.10
Sh.Anil Kumar Garg	01.02.1993	**9.64**	8.79
Sh. Brij Sharma	09.11.1989	**10**	9.32

Note 37 Disclosure in respect of Specified Bank Notes (SBN) and Transacted **(Rs. in Lacs)**

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	134.96	18.85	153.81
(+) Permitted Receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Non- Permitted payments	45.21	-	-
(-) Amount deposited in Banks	89.75	-	-
Closing Cash in hand as on 30.12.2016	-	-	-

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the Value of Five Hundred and One thousand rupees. The Disclousure with respects to Permitted Receipts,Permitted Payments, Amount Deposite in Banks and Closing Cash in Hand as on 30.12.2016 is understood to be applicable in case of SBNs Only.

Note 38.Earning Per Share

Basic/Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

(Rs. in Lacs)

Particulars	31st March 2017	31st March 2016
Profit/(Loss) after Taxation	**4,597.25**	5,086.53
Less: Adjustment of Income Tax earlier Years	**22.04**	148.11
Profit After adjustment of earlier year Income Tax	**4,575.21**	4,938.42
Weighted Avreage Number of Shares Issued	**360.65**	360.65
Earning Per Share in Rs. (Basic & Diluted) (There are no potential equity shares) (Face Value of Rs. 5/- Share	**12.69**	13.69

Note 39.Related Party Disclosure

Associates- Nil

Other Related Parties/Group Companies*

Nahar Capital & Financial Services Ltd., Nahar Poly Films Ltd.,Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Limited., Vanaik Spinning Mills Ltd., Abhilash Growth Fund(P)Ltd.,Atam Vallabh Finances Ltd.,Bermuda Insurance Brokers Pvt. Ltd.,Kovalam Investment & Trading Co.Ltd., Monica Growth Fund(P) Ltd., Nagdevi Trading & Investment Co.Ltd.,Nahar Growth Fund(P)Ltd.,Ruchika Growth Fund(P)Ltd., Sankeshwar Holding Co.Ltd.,Vanaik Investors Ltd.,Vardhman Investment Ltd.,J.L.Growth Fund Ltd.,Neha Credit and Investment Pvt.Ltd., Ginar Investment Ltd., Crown Star Ltd., Monte Carlo Fashions Ltd., Cotton County Retail Ltd., Nahar Industrial Infrastructure Corp.Ltd.,Sidhant & Mannat Co.Ltd.,Simran & Shanaya Co.Ltd.,Palam Motels Ltd., Hug Foods Pvt.Ltd.,Oswal LeasingLtd., Nahar Financial and Investment Ltd., White Tiger Breweries and Distilleries Ltd., Vigil Investment P.Ltd., Shri Atam Fabrics Ltd., Cabot Trading and Investment Co. P.Ltd., Retailerkart E Venture Pvt. Ltd., Marble Retail P Ltd., Suvrat Trading Co.Ltd., Amloh Industries Ltd., Oswal Foundation.

Relatives of KMP Sh.Dinesh Oswal (Managing Director)
- Sh.Jawahar Lal Oswal, Sh. Kamal Oswal, Mrs. Abhilash Oswal, Mrs.Ruchika Oswal, Mrs.Manisha Oswal, Mrs. Ritu Oswal, Mrs.Monika Oswal, Mr. Sambhav Oswal and Mr. Rishab Oswal.
*Other related parties includes the Companies in which the Key Management Personnel or their relatives have significant influence, also includes enterprises with whom no transaction has taken place during the period.

(Rs. In Lacs)

Particulars	Other Related Parties/ Group Companies			Key management Personnel & their relative			Total		
	31st March 2017	31st March 2016	1st April 2015	**31st March 2017**	31st March 2016	1st April 2015	**31st March 2017**	31st March 2016	1st April 2015
Purchase of Goods/Services	**1,347.38**	689.77	762.50	**-**	-	-	**1,347.38**	689.77	762.50
Sale of Goods/shares/Services	**5,439.20**	3,747.32	3,728.15	**-**	-	-	**5,439.20**	3,747.32	3,728.15
Sale of shares	**-**	-	34.41	**-**	-	34.05	**-**	-	68.46
Purchase of Fixed Assets	**1.89**	2.55	46.64	**-**	-	-	**1.89**	2.55	46.64
Sale of Fixed Assets	**15.63**	0.48	27.00	**-**	-	-	**15.63**	0.48	27.00
Rent Paid	**26.49**	22.75	20.54	**3.84**	3.45	2.99	**30.33**	26.20	23.53
Rent Received	**92.48**	88.83	62.79	**8.89**	8.44	7.80	**101.37**	97.27	70.59
Interest Received	**-**	6.38	87.37	**-**	-	-	**-**	6.38	87.37
Reimbursement of expenses paid	**68.27**	67.98	51.88	**-**	-	-	**68.27**	67.98	51.88
Reimbursement of expenses received *	**259.42**	1,655.09	7,399.83	**-**	-	-	**259.42**	1,655.09	7,399.83
CSR Expenses	**-**	120.40	-	**-**	-	-	**-**	120.40	-
Sale of Export Licence	**121.60**	233.18	391.58	**-**	-	-	**121.60**	233.18	391.58
Purchase of Export Licence	**0.01**	2.28	0.37	**-**	-	-	**0.01**	2.28	0.37
Inter-corporate Loans Received Back	**-**	1,890.00	2,058.00	**-**	-	-	**-**	1,890.00	2,058.00
Inter-corporate Loans Given	**-**	1,890.00	2,058.00	**-**	-	-	**-**	1,890.00	2,058.00
Director Sitting Fee	**-**	-	-	**0.80**	0.90	0.60	**0.80**	0.90	0.60
Managerial Remuneration/Perquisites	**-**	-	-	**465.60**	1,091.43	59.97	**465.60**	1,091.43	59.97
Salary	**-**	-	-	**13.20**	10.60	5.40	**13.20**	10.60	5.40
Balance Receivable	**1,362.96**	997.33	1,154.93	**-**	-	-	**1,362.96**	997.33	1,154.93
Balance Payable	**25.33**	1.00	0.15	**24.37**	34.03	-	**49.70**	35.03	0.15

* The Company have paid consolidated electricity charges. There are Sub-Meters and the charges are divided according to the respective consumption without any addition thereon.

Note 40. Fair value measurement
(a) Financial instruments by category
For amortised cost instruments, carrying value represents the best estimate of fair value.

	31st March 2017			31st March 2016			1st April 2015		
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets									
Investments	**608.15**	**2,149.35**	**-**	253.75	1,506.19	-	241.24	586.42	-
Trade receivables	**-**	**-**	**30,360.44**	-	-	36,285.60	-	-	38,495.59
Security deposit	**-**	**-**	**2,395.81**	-	-	2,130.69	-	-	2,442.61
Other financial assets	**-**	**-**	**50.60**	-	-	87.74	-	-	74.26
Cash and equivalents	**-**	**-**	**2,611.93**	-	-	1,034.85	-	-	685.44
Other bank balances	**-**	**-**	**82.11**	-	-	248.29	-	-	252.56
Total	**608.15**	**2,149.35**	**35,500.89**	253.75	1,506.19	39,787.17	241.24	586.42	41,950.46
Financial liabilities									
Borrowings	**-**	**-**	**62,527.98**	-	-	91,604.36	-	-	96,908.54
Trade payable	**-**	**-**	**4,817.37**	-	-	3,517.73	-	-	3,128.88
Other financial liabilities	**-**	**-**	**11,374.24**	-	-	10,044.82	-	-	11,008.42
Total	**-**	**-**	**78,719.59**	-	-	1,05,166.91	-	-	1,11,045.84

(b) Fair value measurement hierarchy for assets and liabilities

The Company has classified its finanical instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value-recurring fair value measurements	31st March 2017			31st March 2016			1st April 2015		
Particulars	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
Investments	**2757.50**	**0.005**	-	1,759.94	0.005	-	827.66	0.005	-
Total financial assets	**2757.50**	**0.005**	**-**	1,759.94	0.005	-	827.66	0.005	-

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	31st March 2017			31st March 2016			1st April 2015		
Particulars	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
Trade receivables	**-**	**-**	**30,360.44**	-	-	36,285.60	-	-	38,495.59
Security deposit	**-**	**-**	**2,395.81**	-	-	2,130.69	-	-	2,442.61
Other financial assets	**-**	**-**	**50.60**	-	-	87.74	-	-	74.26
Cash and equivalents	**-**	**-**	**2,611.93**	-	-	1,034.85	-	-	685.44
Other bank balances	**-**	**-**	**82.11**	-	-	248.29	-	-	252.56
Total financial assets	**-**	**-**	**35,500.89**	-	-	39,787.17	-	-	41,950.46
Financial Liabilities									
Borrowings	**-**	**-**	**62,527.98**	-	-	91,604.36	-	-	96,908.54
Trade payable	**-**	**-**	**4,817.37**	-	-	3,517.73	-	-	3,128.88
Other financial liabilities	-	**-**	**11,374.24**	-	-	10,044.82	-	-	11,008.42
Total	**-**	**-**	**78,719.59**	-	-	1,05,166.91	-	-	1,11,045.84

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutua funds are valued using the closing NAV.

Level 2. value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is inlcuded in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

c. Fair value of financial assets and liabilities measured at amortised cost

Particulars	31st March 2017		31st March 2016		1st April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets						
Security deposit	**2,395.81**	**2,395.81**	2,130.69	2,130.69	2,442.61	2,442.61
Total financial assets	**2,395.81**	**2,395.81**	2,130.69	2,130.69	2,442.61	2,442.61
Financial Liabilities						
Borrowings	**62,527.98**	**62,527.98**	91,604.36	91,604.36	96,908.54	96,908.54
Retention Money	**64.17**	**64.17**	127.54	127.54	187.45	187.45
Total financial liabilities	**62,592.15**	**62,592.15**	91,731.90	91,731.90	97,095.99	97,095.99

The carrying amounts of trade receivables, trade payables, advances to employees, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to short term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

Note-41 First time adoption of Ind AS

These financial statements, for the year ended 31st March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with Accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a) Ind AS Optional exemptions

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measures all of its property, plant and equipment and intangible assets at their previous GAAP carrying values.

b) Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represents the reconciliations from previous GAAP to Ind AS -

Reconciliation of equity as at date of transition (1st April 2015)

Particulars	Note	IGAAP	Adjustments	Ind AS
1. ASSETS				
Non-current assets				
a) Property, plant & equipment	1.1	85,707.72	-	85,707.72
b) Capital work in progress		78.01	-	78.01
c) Intangible assets	1.2	-	-	-
d) Investment Property	1.3	1,008.31	-	1,008.31
e) Financial Assets				
i) Investments	2.1	695.59	(101.71)	593.88
ii) Loans	2.2	2,452.78	(10.17)	2,442.61
iii) Other financial assets	2.3	0.30	-	0.30
f) Other non current assets	3	3,385.89	4.38	3,390.27
Total non-current assets		**93,328.60**	**(107.50)**	**93,221.10**
Current assets				
a) Inventories	4	56,921.99	-	56,921.99
b) Financial Assets				
i) Investments	5.1	200.00	33.78	233.78
ii) Trade receivables	5.2	38,495.59	-	38,495.59
iii) Cash and cash equivalents	5.3	685.44	-	685.44
iv) Other bank balances	5.4	252.56	-	252.56
v) Other financial assets	5.5	74.26	-	74.26
c) Government grant receivables	6	2,105.05	-	2,105.05
d) Current tax asset (Net)	7	217.65	-	217.65
e) Other current assets	8	7,030.18	1.09	7,031.27
Total current assets		**105,982.72**	**34.87**	**106,017.59**
TOTAL ASSETS		**199,311.32**	**(72.63)**	**199,238.69**
II. EQUITY AND LIABILITIES				
Equity				
a) Equity Share capital	9	1,805.31	-	1,805.31
b) Other equity	10	74,227.14	371.81	74,598.95
Equity attributable to shareholders of the company		76,032.45	371.81	76,404.26
Total Equity		**76,032.45**	**371.81**	**76,404.26**
Liabilities				
Non-current liabilities				
a) Financial Liabilities				
i) Borrowings	11.1	34,627.72	(9.36)	34,618.36
ii) Other financial liabilities	11.2	82.28	-	82.28
b) Deferred tax liabilities (net)	12	4,317.00	11.63	4,328.63
c) Other non-current liabilities	13	-	9.04	9.04
Total non-current labilities		**39,027.00**	**11.31**	**39,038.31**
Current liabilities				
a) Financial Liabilities				
i) Borrowings	14.1	62,301.80	(11.62)	62,290.18
ii) Trade payables	14.2	3,128.88	-	3,128.88
iii) Other financial liabilities	14.3	10,926.14	-	10,926.14
b) Other current liabilities	15	6,995.37	(10.06)	6,985.31
c) Provisions	16	899.68	(434.07)	465.61
d) Current tax liabilities (net)	7	-	-	-
Total current liabilities		**84,251.87**	(455.75)	83,796.12
Total Liabilities		**123,278.87**	(444.44)	122,834.43
TOTAL EQUITY AND LIABILITIES		**199,311.32**	(72.63)	199,238.69

Reconciliation of equity as at date of transition (31st March, 2016)

Particulars	Note	IGAAP	Adjustments	Ind AS
1. ASSETS				
Non-current assets				
a) Property, plant & equipment	1.1	81,289.68	-	81,289.68
b) Capital work in progress		112.76	-	112.76
c) Intangible assets	1.2	-	-	-
d) Investment Property	1.3	957.89	-	957.89
e) Financial Assets				
i) Investments	2.1	1,504.47	7.53	1,512.00
ii) Loans	2.2	2,139.22	(8.53)	2,130.69
iii) Other financial assets	2.3	-	-	-
f) Other non current assets	3	1,716.81	3.28	1,720.09
Total non-current assets		**87,720.83**	**2.28**	**87,723.11**
Current assets				
a) Inventories	4	63,542.93	-	63,542.93
b) Financial Assets				
i) Investments	5.1	200.00	47.94	247.94
ii) Trade receivables	5.2	36,285.60	-	36,285.60
iii) Cash and cash equivalents	5.3	1,034.85	-	1,034.85
iv) Other bank balances	5.4	248.29	-	248.29
v) Other financial assets	5.5	87.74	-	87.74
c) Government grant receivables	6	2,471.65	-	2,471.65
d) Current tax asset (Net)	7	19.89	-	19.89
e) Other current assets	8	5,343.05	1.09	5,344.14
Total current assets		**109,234.00**	**49.03**	**109,283.03**
TOTAL ASSETS		**196,954.83**	**51.31**	**197,006.14**
II. EQUITY AND LIABILITIES				
Equity				
a) Equity Share capital	9	1,805.31	-	1,805.31
b) Other equity	10	78,565.30	707.50	79,272.80
Equity attributable to shareholders of the company		80,370.61	707.50	81,078.11
Total Equity		**80,370.61**	**707.50**	**81,078.11**
Liabilities				
Non-current liabilities				
a) Financial Liabilities				
i) Borrowings	11.1	27,307.99	(4.61)	27,303.38
ii) Other financial liabilities	11.2	50.00	-	50.00
b) Deferred tax liabilities (net)	12	4,167.01	12.86	4,179.87
c) Other non-current liabilities	13	-	-	-
Total non-current liabilities		**31,525.00**	**8.25**	**31,533.25**
Current liabilities				
a) Financial Liabilities				
i) Borrowings	14.1	64,313.64	(12.66)	64,300.98
ii) Trade payables	14.2	3,517.73	-	3,517.73
iii) Other financial liabilities	14.3	10,002.29	(7.47)	9,994.82
b) Other current liabilities	15	6,243.06	6.80	6,249.86
c) Provisions	16	982.50	(651.11)	331.39
d) Current tax liabilities (net)	7	-	-	-
Total current liabilities		**85,059.22**	**(664.44)**	**84,394.78**
Total Liabilities		**116,584.22**	**(656.19)**	**115,928.03**
TOTAL EQUITY AND LIABILITIES		**196,954.83**	**51.31**	**197,006.14**

Reconciliation of total comprehensive income for the year ended 31st March 2016

Particulars	Note	IGAAP	Adjustments	Ind AS
I. Revenue from operations *	17.1	202,719.25	(208.97)	202,510.28
II. Other operating revenue	17.2	466.90	(58.67)	408.23
III. Other Income	18	1,782.41	20.93	1,803.34
Total income(I+II+III)		**204,968.56**	**(246.71)**	**204,721.85**
Expenses				
IV. Cost of materials consumed	19	112458.77	(58.67)	112400.10
Purchases of stock-in-trade	20	560.24		560.24
Change in inventories of finished goods, stock in trade and work -in-progress	21	428.52		428.52
Excise Duty Expense		10.08		10.08
Employee benefit expense	22	19,620.71	53.19	19,673.90
Finance costs	23	5,750.84	15.87	5,766.71
Depreciation and amortisation expense	1	10,107.10		10,107.10
Other expenses	24	47,949.52	(207.49)	47,742.03
Total Expenses		**196885.78**	**(197.10)**	**196688.68**
V. Profit/(loss) before exceptional items and tax		8082.78	(49.61)	8033.17
VI. Exceptional items CSR expenses u/s 135 of Companies Act,2013		120.40		120.40
VII. Profit/(loss) before tax		7962.38	(49.61)	7912.77
Tax expense:	25			
(1) Current tax		2,975.00		2,975.00
(2) Deferred tax		(150.00)	1.24	(148.76)
IX. Profit/(loss) for the period from continuing operations		**5137.38**	**(50.85)**	**5086.53**
Other comprehensive income		-	169.50	169.50
X. Profit/(loss) from discontinued operations				
XI. Tax expense from discontinued operations				
XII. Profit/(loss) for the period from discontinued operations (after tax)				
XIII. Profit/(loss) for the period		**5137.38**	**118.65**	**5256.03**

* In IGAAP the comapny was considering exchange rate diffrence on forward booking of export contracts in Revenue from operations . Now in IND AS the same has been reclassified as other Income. The previous GAAP figures have been reclassified to conform to Ind AS presentational requirements for the purposes of this note.

Reconciliation of total equity as reported previously (referred to as 'Previous GAAP') and as per Ind AS

Particulars	Notes to first time adoption	31st March 2016	1st April 2015
Total equity (shareholder's funds) as per Previous GAAP		80,370.61	76,032.45
a) Gain/(loss) on Fair valuation of investments classified as FVOCI	1	14.68	(96.21)
b) Gain/(loss) on Fair valuation of investments classified as FVTPL	2	40.78	28.28
c) Fair valuation of financial instruments - interest free security deposits paid	3	(4.16)	(4.70)
d) Fair valuation of financial instruments - interest free retention money	4	0.68	1.03
e) Reversal of Proposed dividend including DDT thereon	5	651.11	434.07
f) Ancillary cost of borrowing as interest expense on borrowings	6	4.61	9.36
g) Others	8	12.66	11.61
h) Deferred tax adjustments	9	(12.86)	(11.63)
Total adjustments		707.50	371.81
Total equity as per Ind AS		81,078.11	76,404.26

Reconciliation of net profit as reported previously (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS

Particulars	Notes to first time adoption	31st March 2016
Profit after tax as per Previous GAAP		4,989.27
a) Gain/(loss) on Fair valuation of investments classified as FVTPL	2	12.50
b) Fair valuation of financial instruments - interest free security deposits paid	3	0.53
c) Fair valuation of financial instruments - interest free retention money	4	(0.32)
d) Ancillary cost of borrowing as interest expense on borrowings	6	(4.75)
e) Adjustment for recoding actuarial (gain/Losses in OCI	7	(58.61)
f) Others	8	1.04
g) Deferred tax adjustments	9	(1.24)
Total adjustments		**(50.85)**
Total profit after tax as per Ind AS		**4,938.42**
Other comprehensive income (net of tax)	1,7	169.50
Total Comprehensive income for the year		**5,107.92**

Notes to first-time adoption:

Note: 1

Under previous GAAP, investment in equity investments and bonds are classified as long term investments based on the intended holding period and realisability. Long term investment were carried at cost less provision for other than temporary decline in the value of such investments . Under Ind AS, these investments are requried to be measured at fair value. Fair value changes with respect to investment in equity instruments designated at FVOCI have been recognised in FVOCI - equity investment reserve as at the date of transition and subsequently in the other comprehensive income for the period ended 31st March 2016. This increased other reserves by Rs. 14.68 Lacs (1st April 2015 - Rs. (96.21 Lacs).

Note: 2

Under previous GAAP, investment in equity investments and bonds are classified as long term investments based on the intended holding period and realisability. Long term investment were carried at cost less provision for other than temporary decline in the value of such investments . Under Ind AS, these investments are requried to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2016. This increased the retained earnings by Rs. 40.78 Lacs as at 31st March 2016 (1st April 2015 - Rs. 28.28,Lacs).

Note: 3

Interest free security deposits paid were carried at nominal cost under previous GAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, difference between the amortised cost and Indian GAAP carrying amount these security deposits lacs has been recognised as prepaid rent. Correspondingly, interest income on security deposits and amortisation of prepaid rent have also been accounted for.

The above recognition has a net impact of Rs. (4.70 Lacs) on 1 April 2015 and Rs. 0.53 Lacs in the FY 2015 -16 accumulating to Rs. (4.16Lacs)on 31st March 2016.

Note: 4

Interest free retention money were carried at nominal cost under previous GAAP. On application of Ind AS 109, all such financial liabilities are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, difference between the amortised cost and Indian GAAP carrying amount these retention money has been recognised as deferred income. Correspondingly, interest expense on retention money and amortisation of deferred income have also been accounted for.

The above recognition has a net impact of Rs. 1.03 Lacs on 1 April 2015 and Rs. (0.32 Lacs) in the FY 2015 -16 accumulating to Rs. 0.68 Lacs on 31st March 2016.

Note: 5

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared/paid. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid which happens after year end.

Therefore, the liability of Rs. 434.07 Lacs for the year ended on 31st March 2015 recorded for proposed dividend has been derecognised on 1 April 2015 and the same has been recognised as an appropriation of profit in the FY 2015-

16. Similarly, the proposed dividend for the year ended on 31st March 2016 of Rs. 651.11 lacs recognized under Indian GAAP has been reversed in the FY 2015-16.

Note: 6

Under previous GAAP, ancillary costs associated with raising of long term funds was capitalised or charged to revenue a/c Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying
the effective interest rate method. Also, under Ind AS borrowings are presented net of any ancillary costs associated with raising of debt, The above has a net impact of Rs. 9.36 Lacs on 1 April 2015 and of an expense being recognised in the FY 2015-16 of Rs. 4.75 Lacs accumulating to a net increase of Rs. 4.61 Lacs to equity on 31st March 2016.

Note :7

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised to retained earnings through OCI. Thus, remeasurements gains of 58.61 Lacs has been reduced from the net profit of the FY 2015-16 and has been recognised in OCI (net of tax). This has no resulting impact on equity.

Note: 8

Under previous GAAP, renewal/annual charges on cash credit or overdraft facilities was charged to P&L on annual basis. Now under Ind AS company has adopted the practice to amortise these facility charges over the period of facility and charging to P&L in their quarterly results as well. The above has a net impact of Rs. 11.63 Lacs on 1 April 2015 and of an expense being recognised in the FY 2015-16 of Rs. 1.04 Lacs accumulating to a net increase of Rs. 12.66 Lacs to equity on 31st March 2016.

Note: 9

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax liabilities is of Rs. 11.63 Lacs on 1 April 2015 and Rs. 12.86 Lacs on 31st March 2016.

Note: 10

The Company has reclassified certain items of assets and liabilities to comply with the requirements of Ind AS. This has no resulting impact on equity and net profit.

Note: 11

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by Rs. 10.08 Lacs with a corresponding increase in other expense. This has no impact on equity and net profit.

Note: 12

The transition from previous GAAP to Ind AS has not made a material impact on the statement of cash flows.

Save Tree Save Earth Green Initiative

Important Notice : Please provide your updated email address to help us sending the documents through electronic mode which will help in creating **clean environment and saves trees**.

To
The Company Secretary
Nahar Spinning Mills Limited
373, Industrial Area-A,
Ludhiana-141003

REG: Sending of Notices, Report and Accounts and other documents through Electronic Mode

Dear Sir,
I hereby update/register my e-mail address provided below for the receiving the Notices, Report and Accounts and other documents from the Company through electronic mode:-

E-mail Address: _____

Name of the Sole/First Holder: _____

DP ID/Client ID/Registered Folio No.: _____

#Contact No:

Mobile _____

Land Line (with STD Code): _____

#Optional

Date:_____ **Signature of the Sole/First holder**

_____

Notes:

(1) The Notices, Report and Accounts and other documents are sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Shareholders.

NAHAR SPINNING MILLS LTD

Registered office: 373, Industrial Area – A, Ludhiana – 141003
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com; Website: www.owmnahar.com

BALLOT FORM

Sr. No. _____

Name and Registered Address of the Sole/ First named Member :

Names of the Joint Member(s), if any :

Registered Folio No. / DP ID No. / Client ID No. :

No. of equity shares held :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions as set out in the Notice dated August 12, 2017 of the Company by conveying my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

Resolution No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	ADOPTION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017			
2	DECLARATION OF DIVIDEND ON EQUITY SHARE CAPITAL FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017			
3	APPOINTMENT OF MR. DINESH GOGNA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION			
4	APPOINTMENT OF MR. KAMAL OSWAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION			
5	APPOINTMENT OF M/s YAPL & CO. CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO. 017800N) AS STATUTORY AUDITORS OF THE COMPANY FROM THE CONCLUSION OF 37TH AGM TILL THE CONCLUSION OF 42ND ANNUAL GENERAL MEETING			
6	RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY			
7	APPOINTMENT OF DR. VIJAY ASDHIR, AS AN INDEPENDENT DIRECTOR OF THE COMPANY			
8	APPOINTMENT OF DR. MANISHA GUPTA AS AN INDEPENDENT DIRECTOR OF THE COMPANY			
9	RE- APPOINTMENT OF DR. SURESH KUMAR SINGLA AS AN INDEPENDENT DIRECTOR OF THE COMPANY			
10	RE- APPOINTMENT OF DR. AMRIK SINGH SOHI AS AN INDEPENDENT DIRECTOR OF THE COMPANY			
11	RE- APPOINTMENT OF PROF. KANWAR SAIN MAINI AS AN INDEPENDENT DIRECTOR OF THE COMPANY			
12	CONSENT AND APPROVAL FOR ENTERING INTO AGREEMENT(S)/CONTRACT(S)/TRANSACTION(S) WITH RELATED PARTIES			

Place:
Date:

Signature of the Member
or
Authorised Representative

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Notes :
(I) For the Resolutions, Explanatory Statements and notes please refer to the Notice of 37th Annual General Meeting.
(ii) If you have casted your vote by e-voting, there is no need to fill up and sign this form.
(iii) Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

1. General Instructions:

a. There will be one Ballot Form/e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.

b. Members have option to vote either through remote e-voting or through Ballot Form at the AGM. If a member has casted vote via remote e-voting, then vote cast by him/her via ballot form at the AGM shall be considered as invalid.

c. Voting in the e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below under instruction no. 2(b).

d. Any query in relation to the Resolutions proposed to be passed at the ensuing AGM may be addressed to Company Secretary, at the Registered Office of the Company.

e. The Scrutinizer's decision on the validity of a Ballot/E-voting shall be final and binding.

2. Instructions for voting physically by Ballot Form:

a. This Form must be completed and signed by the Member who is desirous of exercising his/her vote at the 37th Annual General Meeting, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.

b. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.

c. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on cut off date i.e. 19th September, 2017.

d. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (√) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.

e. Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.

f. Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.

g. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favor or against, if any, forthwith to the Chairman of the Company.

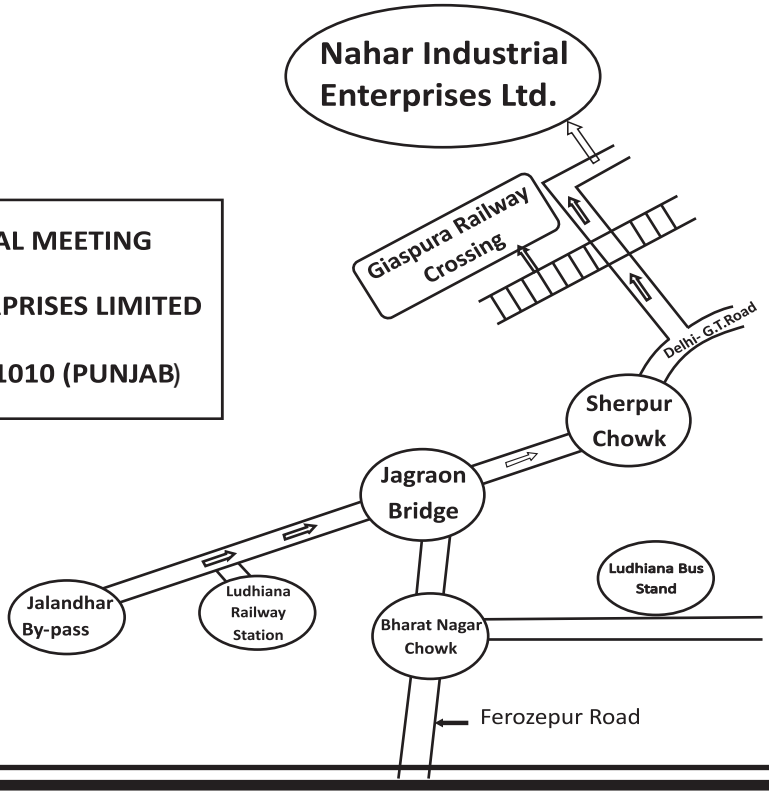
h. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.owmnahar.com and

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VENUE OF ANNUAL GENERAL MEETING

NAHAR INDUSTRIAL ENTERPRISES LIMITED

FOCAL POINT, LUDHIANA – 141010 (PUNJAB)





Performance At A Glance

Rupees in Lacs

SR. NO.	PARTICULARS	2012-13	2013-14	2014-15	2015-16	2016-17
1	OPERATING INCOME	196185	220420	214962	202918	213215
2	EXPORTS	129979	142799	139320	127041	134379
3	OTHER INCOME	813	696	1130	1803	2198
4	GROSS PROFIT (Before Interest & Dep.)	32436	35713	22488	23997	20456
5	PROFIT AFTER TAX	7798	14530	2021	5087	4597
6	CASH ACCRUALS (Before Tax & Dep.)	22160	26266	14540	18140	16353
7	GROSS BLOCK	174230	191869	203696	92349	96637
8	NET BLOCK	80347	89975	86710	82249	76883
9	SHARE CAPITAL (PAID UP)	1805	1805	1805	1805	1805
10	NET WORTH	62240	76349	76032	81078	85627
11	DEFERRED TAX RESERVE	4635	6185	4317	4180	3943
12	DEBT EQUITY RATIO	0.69	0.60	0.60	0.46	0.33
13	CURRENT RATIO	1.23	1.30	1.44	1.29	1.30
14	BOOK VALUE PER SHARE	172.58	211.70	210.82	224.81	237.42
15	EARNING PER SHARE (BASIC)	21.59	40.29	5.60	13.69	12.69
16	FACE VALUE (PAID UP)	Rs. 5	Rs. 5	Rs. 5	Rs. 5	Rs.5
17	DIVIDEND	20%	20%	20%	30%	30%

Glimpes of CSR Projects under taken by Oswal Foundation



Courtesy

Nahar SPINNING MILLS LIMITED



NAHAR SPINNING MILLS LIMITED

CIN: L17115PB1980PLC004341
Regd. Office: 373, Industrial Area – A, Ludhiana – 141003
Phone No.: 0161-2665000, Fax No.: 0161-2661180;
E-mail: secnsm@owmnahar.com Website: www.owmnahar.com

ATTENDANCE SLIP

37TH ANNUAL GENERAL MEETING

2017

I/we hereby record my/our presence at the **37th Annual General Meeting of the Company, to be held on Tuesday, the 26th day of September, 2017 at 11.00 a.m. at the premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana-141010 (Punjab).**

DP ID		Folio No.	
Client ID		No. of Shares Held	
Member's/Proxy's Name in Block Letters		Member's/Proxy's Signature	

Note: 1.Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting venue.
2.Please read instructions given at Note No. 24 of the Notice of 37th Annual General Meeting, carefully to create your password and to vote electronically.

ELECTRONIC VOTING PARTICULARS		
EVSN (E-voting Sequence Number)	**User ID/Folio No./DP / Client ID**	**Sequence No.**

Continued Page 2

NAHAR SPINNING MILLS LIMITED

CIN: L17115PB1980PLC004341
Regd. Office: 373, Industrial Area – A, Ludhiana – 141003
Phone No.: 0161-2665000, Fax No.: 0161-2661180
E-mail: secnsm@owmnahar.com Website: www.owmnahar.com

PROXY FORM (Form No. MGT-11)
(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

Name of the Member(s)			
Registered Address			
Email ID			
Folio No./Client ID		**DP ID**	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name:_____ Address:_____

   E-mail Id: _____ Signature: _____ , or failing him

2. Name:_____ Address:_____

   E-mail Id: _____ Signature: _____ , or failing him

3. Name:_____ Address:_____

   E-mail Id: _____ Signature: _____ , or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Tuesday, the 26th day of September, 2017 at 11.00 a.m. at the Premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.	Resolution	'Optional'	
	Ordinary Business :	For	Against
1	To adopt Financial Statements for the financial year ended 31st March, 2017		
2	To declare dividend on Equity Share Capital for the financial year ended 31st March, 2017.		
3	To appoint Mr. Dinesh Gogna as a Director liable to retire by rotation		
4	To appoint Mr. Kamal Oswal as a Director liable to retire by rotation		
5	To appoint M/s. YAPL & CO., Chartered Accountants (Firm Registration No. 017800N), as Statutory Auditors of the Company from the conclusion of 37th AGM till the conclusion of 42nd AGM		
	Special Business :		
6	To ratify payment of Remuneration of M/s. Ramanath Iyer & Co. (Membership No. 000019) the Cost Auditors of the Company for the year ended 31st March, 2018		
7	To appoint Dr. Vijay Asdhir as an Independent Director of the Company		
8	To appoint Dr. Manisha Gupta as an Independent Director of the Company		
9	To re- appoint Dr. Suresh Kumar Singla as an Independent Director of the Company		
10	To re- appoint Dr. Amrik Singh Sohi as an Independent Director of the Company		
11	To re- appoint Prof. Kanwar Sain Maini as an Independent Director of the Company		
12	To approve Related Party Transactions		

Signed this ____ day of _____, 2017 Signature of Shareholder/Proxy holder(s):_____

Affix Revenue Stamp of Re. 1/-

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions and Notes, please refer to the Notice of the 37th Annual General Meeting.
3. *It is optional to put a (✓) in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) before submission.